

## FORMA

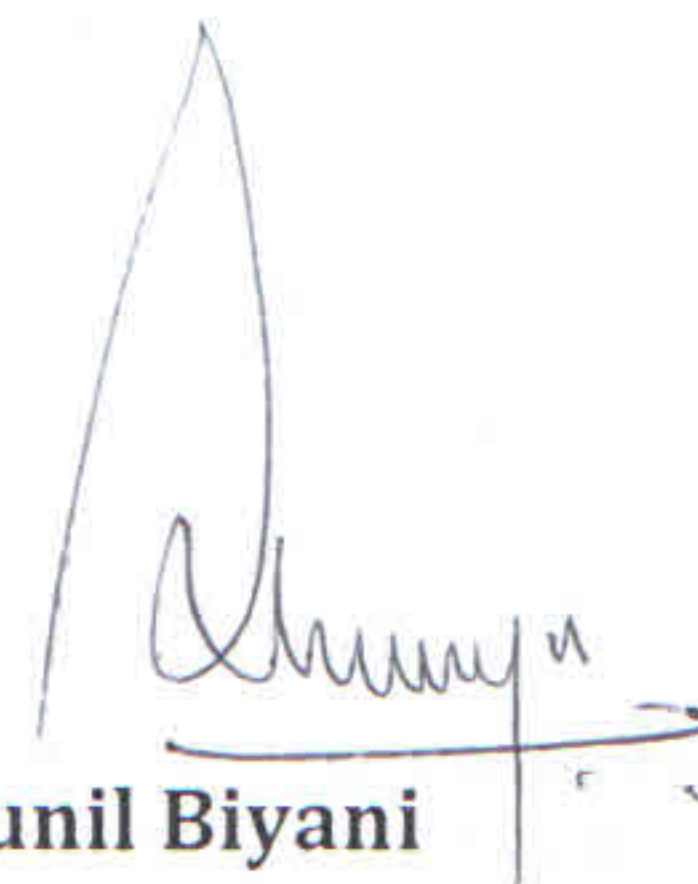
### Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	Future Market Networks Limited
2.	Annual Financial statements for the year ended	March 31, 2014
3.	Type of Audit observation	Un-qualified / <del>Matter of Emphasis</del>
4.	Frequency of observation	Whether appeared first time .... / repetitive ... / since how long period .... Not Applicable
5.	To be signed by- <ul style="list-style-type: none"> <li>• CEO/Managing Director</li> <li>• CFO</li> <li>• Auditor of the Company</li> <li>• Audit Committee Chairman</li> </ul>	

For Future Market Networks Limited



**Pawan Agarwal**  
Chief Financial Officer



**Sunil Biyani**  
Managing Director



**NGS & Co. LLP**  
Statutory Auditor



**Vijai Singh Dugar**  
Audit Committee Chairman

Date: August 28, 2014  
Place: Mumbai





# **Future Market Networks Limited**

**Annual Report 2013-14**

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## COMPANY INFORMATION

### BOARD OF DIRECTORS

Ameet Naik	:	Chairman & Independent Director
Vijai Singh Dugar	:	Independent Director
Rahul Saraf	:	Independent Director
Krishna Kant Rath	:	Non-Executive Director
Rajesh Kalyani	:	Non-Executive Director
Sunil Biyani	:	Managing Director

### CHIEF FINANCIAL OFFICER

Pawan Agarwal

### COMPANY SECRETARY

Anil Cherian

### STATUTORY AUDITORS

NGS & Co. LLP; Chartered Accountants

### BANKERS

HDFC Bank  
Central Bank  
Bank of India  
Bank of Baroda

### REGISTERED OFFICE

Knowledge House, Shyam Nagar,  
Off. Jogeshwari - Vikhroli Link Road,  
Jogeshwari (E) Mumbai – 400060

### REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt Ltd  
C-13 Pannalal Silk Mills Compound  
L B S Marg Bhandup (W)  
Mumbai 400 078  
Tel. No.: 022-25963838  
Fax No.: 022-25946969

### WEBSITE

[www.fmn.co.in](http://www.fmn.co.in), **E-mail:** [info.fmn@futuregroup.in](mailto:info.fmn@futuregroup.in)

**CIN: L45400MH2008PLC179914**

### NOTICE

Notice is hereby given that the sixth Annual General Meeting of the members of Future Market Networks Limited will be held on Thursday, 18<sup>th</sup> day of September 2014 at 3.00 p.m. at Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai - 400018 to transact the following business:

#### Ordinary Business

1. To receive, consider and adopt the Financial Statements of the Company for the year ended March 31, 2014 including audited Balance Sheet as at March 31, 2014 and the Statement of Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a director in place of Mr. Rajesh Kalyani (holding DIN: 00220632), who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification (s), the following resolution as an Ordinary resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, M/s. NGS & Co.LLP, Chartered Accountants, Mumbai, bearing ICAI Registration No. 119850W, be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company at a remuneration to be decided by the Board of Directors in consultation with the Auditors plus applicable service tax and re-imbursement of travelling and out of pocket expenses incurred by them for the purpose of audit."

#### Special Business:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Ameet Bhimrao Naik (holding DIN 00342339), Director of the Company in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for Three consecutive years, commencing from the date of this Annual General Meeting to September 17, 2017."

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Vijai Singh Chandan Mal Dugar (holding DIN 06463399), Director of the Company in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for Three consecutive years, commencing from the date of this Annual General Meeting to September 17, 2017."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Rahul Saraf (holding DIN 00005314), Director of the Company in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for Three consecutive years, commencing from the date of this Annual General Meeting to September 17, 2017."

#### Registered Office:

Knowledge House, Shyam Nagar,  
Off. Jogeshwari – Vikhroli Link Road,  
Jogeshwari East, Mumbai – 400060  
CIN: L45400MH2008PLC179914  
E-mail: [info.fmnl@futuregroup.in](mailto:info.fmnl@futuregroup.in)  
Website: [www.fmn.co.in](http://www.fmn.co.in)

Place : Mumbai  
Date : May 28, 2014

#### By Order of the Board

For Future Market Networks Limited

**Anil Cherian**

Chief - Legal & Company Secretary

## NOTES:

1. A Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Item Nos. 4, 5 and 6 to be transacted at the meeting, is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from September 15, 2014 to September 18, 2014 (both days inclusive).
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
8. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
9. Electronic copy of the Annual Report for 2014 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
10. Electronic copy of the Notice of the 6<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 6<sup>th</sup> Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

Members may also note that the Notice of the 6<sup>th</sup> Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website [www.fmn.co.in](http://www.fmn.co.in) to download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Mumbai, Maharashtra for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same free of cost. For any communication, the shareholders may also send requests to [info.fmn@futuregroup.in](mailto:info.fmn@futuregroup.in)

11. The Equity Shares of the Company are compulsorily traded in demat form and the share holders who have not yet dematerialized their shares are requested to dematerialize their shares by opening DP Account with nearest Depository Participants at the earliest to avail the benefits of dematerialization.
12. Members holding shares in electronic form are requested to intimate immediately any changes in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding Shares in physical form are requested to advise any change of address immediately to the Company / Registrar and Share Transfer Agent viz. Link Intime India Private Limited C/13, Pannalal Silk Mills Compound, L.B.S. Road, Bhandup (W), Mumbai 400 078, Maharashtra State.
13. Non-Resident Shareholders are requested to inform immediately Registrar and Share Transfer Agent, Link Intime India Private Limited:

- a) the change in the Residential status on return to India for permanent settlement.
  - b) the particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank, if not furnished earlier.
14. Members who have not registered his/her e-mail address so far are requested to register their e-mail address so that they can receive the Annual Report and other communications from the Company electronically.
15. Voting through electronic means
- I. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 6th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

**The instructions for e-voting are as under:**

**A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:**

- i. Open email and open PDF file viz; "future market e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for e-voting. Please note that the password is an initial password.
- ii. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- iii. Click on Shareholder – Login
- iv. Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- v. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
- vii. Select "EVSN" (Electronic Voting Sequence Number) of Future Market Networks Limited.
- viii. Now you are ready for e-voting as Cast Vote page opens.
- ix. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- x. Upon confirmation, the message "Vote cast successfully" will be displayed
- xi. Once you have voted on the resolution, you will not be allowed to modify your vote
- xii. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [alwyn.co@gmail.com](mailto:alwyn.co@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy] :**

i.	Initial password is provided as below/at the bottom of the Attendance Slip for the AGM		
	EVSN (Electronic Voting Sequence Number)	USER ID	PASSWORD / PIN
ii.	Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.		

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

- II. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/ PIN for casting your vote.
- III. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IV. The e-voting period commences on Thursday, September 11, 2014 (9:00 am) and ends on Saturday, September 13, 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 8, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder by means of e-voting, the shareholder shall not be allowed to change it subsequently.

- V. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of August 8, 2014.
  - VI. Mr. Alwyn D'souza, Practicing Company Secretary of M/s. Alwyn D'souza & Co, Company Secretaries, Mumbai, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  - VII. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
16. The Members are expected to send their queries on Annual Report to the Company Secretary, atleast 7 days before the date of meeting, so that the requisite information/ explanations can be provided in time.
  17. It may be noted that shareholders can opt for only one mode of voting i.e. either by Physical Ballot or e-Voting. In case of receipt of vote by both the modes, voting done through e-Voting shall prevail and voting done by Physical Ballot shall be treated as invalid.
  18. Members are requested to bring their copy of Annual Report to the meeting.
  19. Under Section 125 of the Companies Act, 2013, the proceeds of sale of fractional shares, arising out of issuance of equity shares under the scheme of arrangement (Demerger) approved by Hon'ble High Court of Bombay on August 24, 2010, remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. The members who have not yet claimed their entitlements are requested to contact the Registrar and Share Transfer Agent of the Company.
  20. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.fmn.co.in](http://www.fmn.co.in) and on the website of NSDL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited.
  21. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during the office hours on all working days between 11.00 a.m. and 1.00 p.m upto the date of Annual General Meeting.

**Registered Office:**

Knowledge House,  
Shyam Nagar,  
Off. Jogeshwari – Vikhroli Link Road,  
Jogeshwari East,  
Mumbai – 400060  
CIN: L45400MH2008PLC179914  
E-mail: [info.fmn@futuregroup.in](mailto:info.fmn@futuregroup.in)  
Website: [www.fmn.co.in](http://www.fmn.co.in)

By Order of the Board  
For Future Market Networks Limited

Anil Cherian  
Chief - Legal & Company Secretary

Place : Mumbai  
Date : May 28, 2014



## **Explanatory Statement**

**(Pursuant to section 102 of the Companies Act, 2013)**

As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 6 of the accompanying Notice:

### **Item No. 4, 5 and 6**

Mr. Ameet Naik, Mr. Vijai Singh Dugar and Mr. Rahul Saraf are Independent Directors on the Board of the Company. Under erstwhile provisions of the Companies Act, 1956, duration of their appointment is determined by retirement by rotation.

Pursuant to the provisions of section 149 of the Act, which came in to effect from April 1, 2014, every listed public company is required to have at least one-third of the total number of directors as independent directors, who are not liable to retire by rotation.

The Nominations Committee has, considered the appointment of independent directors in terms of applicable provisions of the Companies Act, 2013 read with Clause 49 of the Listing Agreement and recommended the appointment of Mr. Ameet Naik, Mr. Vijai Singh Dugar and Mr. Rahul Saraf as Independent Directors for a period of 3 years commencing from September 18, 2014 to September 17, 2017.

Mr. Ameet Naik, Mr. Vijai Singh Dugar and Mr. Rahul Saraf, independent directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under section 149(6) of the Act. In the opinion of the Board, each of these directors fulfill the conditions specified in the Act and the Rules framed there under for appointment as Independent Director and they are independent of the management.

In compliance with the provisions of section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors is now being placed before the Members for their approval.

Expect Mr. Ameet Naik, being appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution set out at Item No. 4.

Expect Mr. Vijai Singh Dugar, being appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution set out at Item No. 5.

Expect Mr. Rahul Saraf, being appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution set out at Item No. 6.

None of the Directors mentioned herein above holds any shares in the Company.

The Board recommends the resolution set forth in Item No. 4, 5 and 6 for the approval of the members.

### **Registered Office:**

Knowledge House, Shyam Nagar,  
Off. Jogeshwari – Vikhroli Link Road,  
Jogeshwari East, Mumbai – 400060  
CIN: L45400MH2008PLC179914  
E-mail: [info.fmn@futuregroup.in](mailto:info.fmn@futuregroup.in)  
Website: [www.fmn.co.in](http://www.fmn.co.in)

Place : Mumbai  
Date : May 28, 2014

**By Order of the Board**

For Future Market Networks Limited

**Anil Cherian**

Chief - Legal & Company Secretary

**ADDITIONAL INFORMATION IN TERMS OF CLAUSE 49 OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS BEING PROPOSED FOR APPOINTMENT / RE-APPOINTMENT**

1.	<b>Name of the Director</b>	Mr. Ameet Naik
	<b>Date of Birth</b>	January 16, 1975
	<b>Qualifications / Profession</b>	Advocate
	<b>Date of Appointment</b>	February 1, 2013
	<b>Expertise in specific functional areas</b>	Mr. Ameet Naik is the founding partner of Naik Naik & Company, a leading Law Firm in Mumbai with specialized focus on mergers and acquisitions, private equity and capital markets. He has recognized as a leading legal practitioner in the areas of corporate transactions. He is also an accomplished media commentator and is frequently invited to speak at various conferences.
	<b>Other Directorships Held</b>	Centrum Capital Limited
	<b>Membership in Committees</b>	None
	<b>Number of shares held in the Company</b>	Nil
	<b>Relationship with other Directors</b>	None

2.	<b>Name of the Director</b>	Mr. Vijai Singh Dugar
	<b>Date of Birth</b>	September 1, 1952
	<b>Qualifications</b>	Chartered Accountant
	<b>Date of Appointment</b>	February 1, 2013
	<b>Expertise in specific functional areas</b>	Mr. Vijay Singh Dugar, who is a qualified Chartered Accountant and was associated with Indian Oil Corporation Limited for more than 30 years in various capacities including Finance Head of IOBL, a Subsidiary of Indian Oil Corporation Limited and has vast professional expertise spreading a span of more than three decades in corporate finance, Internal Audit, strategic business planning and investment advisory. He is also a partner in L S D & Co., Chartered Accountants, Mumbai.
	<b>Other Directorships Held</b>	None
	<b>Membership in Committees</b>	None
	<b>Number of shares held in the Company</b>	Nil
	<b>Relationship with other Directors</b>	None

3.	<b>Name of Director</b>	Mr. Rahul Saraf
	<b>Date of Birth</b>	08 <sup>th</sup> December 1966
	<b>Qualification</b>	B.Com
	<b>Date of Appointment</b>	23 <sup>rd</sup> September 2010
	<b>Expertise in specific functional areas:</b>	Mr. Rahul Saraf, the Managing Director of Forum Projects, has over 24 years of experience in the real estate industry. Rahul was instrumental in developing Forum, one of Kolkata's first shopping malls and won the prestigious "Brick and Mortar" Award for its quality construction, and was nominated for various retail awards. Rahul developed Forum Mart, one of country's first shopping mall in a tier three city. The India Today magazine acknowledged him as the "Mall Man of the East". Rahul Saraf was the Vice President of CREDAI Bengal the real estate developers' federation in West Bengal. He has been Chairman (Eastern Region) of the India Green Building Council. He is also one of the founding members of Shopping Centre Association of India (SCAI).
	<b>Other Directorship(s)</b>	Bengal Forum Housing Development Limited Titanium Mineral Products Private Limited Adityapur City Centre Hospital Private Limited Adityapur City Centre Hotel Private Limited Alpha Aluminium Private Limited Forum Development & Construction Co. Private Limited Forum ETA Realty Private Limited Forum Housing Private Limited Forum Infrastructure Private Limited Forum Mall Management Services Private Limited Forum Mega Malla Private Limited Forum Projects Holdings Private Limited Forum Projects Private Limited Forum Realtors Private Limited Forum Retail Private Limited Forum Riviera Constructions Private Limited Forum Shopping Centers Private Limited Forum Shopping Mall Private Limited Forum Ventures Private Limited H.J Properties Private Limited Heilgers Development & Construction Co. Private Limited Hind Ceramics Private Limited Safari Retreats Private Limited Saraf Agencies Private Limited Saraf Services Private Limited Technopolies Infrastructure Private Limited Titanium Products Private Limited
	<b>Membership in Committees</b>	None
	<b>Number of shares held in the Company</b>	Nil
	<b>Relationship with other Directors</b>	None

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<b>Name of Director</b>	Mr. Rajesh Kalyani								
<b>Date of Birth</b>	8 <sup>th</sup> October 1969								
<b>Qualification</b>	Chartered Accountant								
<b>Date of Appointment</b>	23 <sup>rd</sup> September 2010								
<b>Expertise in specific functional areas:</b>	Mr. Rajesh Kalyani is a member of the Institute of Chartered Accountants of India with 24 years of experience. He is in employment at a senior position with one of the leading organised retailer and has wide experience in areas of business planning, project & working capital management, properties, commercial & taxation matters.								
<b>Other Directorship(s)</b>	Erudite Knowledge Services Limited Future Ideas Realtors India Limited Fashion Global Retail Limited Future Human Development Limited Asian Retail Lighting Limited FH Residence Limited Future Lighting India Limited Agre Developers Limited Bansi Mall Management Company Private Limited Suhani Mall Management Company Private Limited Future Capital Investment Private Limited Central Departmental Stores Private Limited Riddhi Siddhi Mall Management Private Limited Shreya Mall Management Company Private Limited Suhani Trading and Investment Consultants Private Limited Aashirwad Malls Private Limited Future Retail Destination Private Limited Harsh Trading & Investment Consultants Private Limited Akar Estate Finance Private Limited Gupta Infrastructure India Private Limited Manz Retail Private Limited Iskrupa Mall Management Company Private Limited Utsav Mall Management Company Private Limited								
<b>Membership in Committees</b>	<table><tr><td>Name of the Company</td><td>Committee</td><td>Position held</td></tr><tr><td>Asian Retail Lighting Limited</td><td>Audit Committee</td><td>Member</td></tr></table>			Name of the Company	Committee	Position held	Asian Retail Lighting Limited	Audit Committee	Member
Name of the Company	Committee	Position held							
Asian Retail Lighting Limited	Audit Committee	Member							
<b>Number of shares held in the Company</b>	Nil								
<b>Relationship with other Directors</b>	None								

The details provided herein above are as on March 31, 2014.



# Directors' Report

## DIRECTORS' REPORT

To,  
The Members of  
Future Market Networks Limited

Your Directors are pleased to present the Sixth Annual Report together with the Audited Statements of Accounts for the financial year ended 31<sup>st</sup> March 2014.

### Financial Performance:

#### a) Standalone

(Rs in lacs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Revenue from Operations	7709.29	10953.22
Other Income	499.50	1478.47
Total Income	8208.79	12431.70
Personnel Cost	280.73	458.67
Operating and other expenses	7590.23	9842.65
Total Expenditure	7870.96	10301.32
Profit before Interest, Depreciation and Tax	337.83	2130.38
Less: Interest	5170.29	5631.46
Less: Depreciation	1750.52	1674.83
Profit / (Loss) before Taxation	(6582.98)	(3995.61)
Less: Provision for taxation	-	-
Less: Deferred Tax	-	(496.51)
<b>Profit (Loss) after Taxation</b>	(6582.98)	(3499.10)

#### b) Consolidated

(Rs in Lacs)

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Revenue from Operations	16067.72	15890.86
Other Income	651.18	1928.65
Total Revenue	16718.90	17819.51
Purchase	2300.12	-
Personnel Cost	734.70	863.27
Operating and other expenses	10087.34	11299.23
Total Expenditure	13122.16	12161.87
Profit before Interest, Depreciation and Tax	3597.00	5657.00
Less: Interest	7998.19	8539.13
Less: Depreciation	2858.38	2782.70
Profit / Loss before Taxation	(7259.82)	(5664.83)
Less: Provision for taxation	74.46	118.87
Less: Deferred Tax	78.49	(561.50)
<b>Profit (Loss) after Taxation</b>	(7255.60)	(5217.28)

**Dividend:**

In view of the losses incurred by the Company, your Directors have not recommended any dividend for the financial year ended March 31, 2014.

**Subsidiaries**

Your Company has the following Subsidiaries as on March 31, 2014:

<b>Sno.</b>	<b>Name of the Subsidiary</b>	<b>Sno.</b>	<b>Name of the Subsidiary</b>
1	Precision Realty Developers Pvt. Ltd	09	F R Retail Destination Pvt. Ltd
2	Acute Realty Private Limited	10	Harmony Mall Management Pvt. Ltd
3	Unique Malls Private Limited	11	Suhani Mall Management Pvt. Ltd
4	Aashirwad Malls Private Limited	12	Future Trade Markets Private Limited
5	Ujjain Future Bazaar Private Limited	13	Star Shopping Centres Private Limited
6	Shreya Mall Management Pvt. Ltd	14	Sun City Properties Private Limited
7	Nishta Mall Management Co. Pvt. Ltd	15	Ojas Mall Management Pvt. Ltd
8	Niyman Mall Management Co. Pvt. Ltd	16	Navika Developers Private Limited

The subsidiaries are engaged in the business of development and leasing of retail spaces across the Country. Future Trade Markets Private Limited (FTMPL) has entered into a strategic alliance with SKC 3 Limited (investment vehicle of Fung Properties) to develop Whole Sale Markets in India. In addition to the above, the Company has two downstream subsidiary companies.

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, the Balance Sheet, Profit and Loss Account and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. However the financial information of the subsidiary companies is disclosed in the Annual Report in compliance with the said circular. The Company will make available the Annual Accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

**Share Capital:**

The Authorized Share Capital of the Company is Rs. 90,31,00,000/- (Rupees Ninety Crores Thirty One Lacs) divided into 9,02,60,000 equity shares of Rs. 10/- each and 5000 Preference Shares of Rs. 100/- each.

The paid up share capital of the Company as on the date of this report is Rs. 55,85,44,060/- divided into 5,58,54,406 equity shares of Rs. 10/- each.

**Consolidated Financial Statements:**

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investments in Associates and AS-27 on Financial Reporting of Interest in Joint Ventures and in compliance with provisions of Listing Agreement with Stock Exchanges, the audited consolidated financial statements are provided in the Annual Report.

**Cash Flow Statement:**

In Conformity with the provisions of clause 32 of the Listing Agreement with the Stock Exchanges, the Cash Flow Statement for the year ended March 31, 2014 has been provided in the Annual Report and which forms part of this report.

**Fixed Deposits and Loans/Advances:**

Your Company has not accepted any deposits from the public, or its employees during the year under review.

Pursuant to Clause 32 of the Listing Agreement, the particulars of loans/advances given to subsidiaries have been disclosed in the Annual Accounts of the Company.



## Directors

The Board of Directors of the Company consist of Mr. Ameet Naik, Mr. Rahul Saraf, and Mr. Vijai Singh Dugar Independent Directors, Mr. K.K Rathi and Mr. Rajesh Kalyani, Non Executive Directors and Mr. Sunil Biyani, Managing Director.

During the year under review Mr. Sumit Dabhiwala resigned as the Managing Director of the Company with effect from May 30, 2013 and resigned from the Board of Directors w.e.f April 1, 2014. The Board places on record its appreciation for the insights and contribution made by him during his tenure.

As per the provisions of the Companies Act, 2013, Mr. Rajesh Kalyani will retire in the ensuing Annual General Meeting and being eligible seeks re-appointment. The Board recommends his re-appointment.

In accordance with the provisions of Section 149 of the Companies Act, 2013, read with clause 49 of the Listing Agreement your Board of Directors recommend the appointment of Mr. Ameet Naik, Mr. Vijai Singh Dugar and Mr. Rahul Saraf, as Independent Directors for a term of 3 (three) consecutive years commencing from September 18, 2014 to September 17, 2017.

The Company has received Notices under Section 160 of the Companies Act, 2013 from members signifying their intention to propose Mr. Ameet Naik, Mr. Vijai Singh Dugar and Mr. Rahul Saraf as a candidate for the office of Independent Director at the ensuing Annual General Meeting.

The Company has also received the requisite disclosures/declarations from Mr. Ameet Naik, Mr. Vijai Singh Dugar and Mr. Rahul Saraf as required under Section 149 and other applicable provisions of the Companies Act, 2013.

Profile of all these Directors has been given in the Report on the Corporate Governance as well as in the Explanatory Statement to the Notice of the ensuing Annual General Meeting of the Company.

### Director's Responsibility Statement:

As required under section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from same;
2. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
3. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. the directors have prepared the annual accounts on a going concern basis.

### Corporate Governance:

Report on Corporate Governance of the Company and Management Discussion and Analysis Report for the year under review, as per the requirements of Clause 49 of the Listing Agreement(s), have been given under a separate section and forms part of this Annual Report.

### Listing:

The equity shares of the Company are listed on the Bombay Stock Exchange Limited, Mumbai (BSE) and The National Stock Exchange of India Ltd. (NSE) and the listing fee for the year 2014-15 has been paid.

The Company has entered into necessary agreements with the Central Depository Services (India) Limited (CDSL) and National Securities Depository Limited (NSDL) for availing the Depository services.

### Auditors:

M/s NGS & Co. LLP, Chartered Accountants, Mumbai, Auditors of the Company, bearing ICAI Registration Number 119850W retire at the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed. The Board recommends the appointment.

### Particulars of Employees and other additional information

For the financial year under review, none of the employees of the Company fall under the revised ceiling limits prescribed under section 217 (2A) of the Companies Act, 1956.



**Employee Stock Option Scheme (ESOS) 2012**

During the year under review, 122250 options are vested to the employees of the Company and are available for exercise of options. 17000 options were lapsed during the year.

As on March 31, 2014, 489000 stock options are outstanding, in aggregate, for exercise and are exercisable at a price of Rs. 12/- per stock option. No options were exercised as on March 31, 2014.

The particulars with regard to the Employee Stock Options as on March 31, 2014 as required to be disclosed pursuant to the provisions of Clause 12 of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999, as amended, are set out in Annexure II to this Report.

**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo:**

Information in accordance with the provisions of Section 217 (1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the Annexure I forming part of this report.

**Acknowledgement**

Your Directors would like to acknowledge and place on record their sincere appreciation to all stakeholders, Financial Institutions, Banks, Central and State Governments, the Company's valued investors and all other business partners for their continued co-operation and excellent support received during the year.

Your Directors recognize and appreciate the efforts and hard work of all the employees of the Company and their continued contribution to its progress.

**For and on behalf of the Board of Directors**

**Ameet Naik**  
**Chairman**

**Sunil Biyani**  
**Managing Director**

Place : Mumbai  
Date: May 28, 2014

## ANNEXURE TO THE DIRECTORS' REPORT

### Annexure I

Particulars Required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

#### A. CONSERVATION OF ENERGY

- a) Energy Conservation Measures Taken
- b) Additional investments and Proposals, if any, being implemented for reduction of consumption of energy and
- c) Impact of measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

**Disclosure for (a) to (c):** The operations of the Company do not involve high energy consumption. However the Company has been laying great emphasis on the Conservation of Energy and has taken several measures including regular monitoring of consumption, implementation of viable energy saving proposals, improved maintenance of systems etc.

- d) Particulars of Energy consumption etc in respect of specified industries.

The disclosure on particulars regarding consumption of energy etc are not applicable to the Company since industry to which the Company belongs is not covered under the schedule prescribed by the said Rules.

#### B. TECHNOLOGY ABSORPTION

The particulars regarding absorption of technology is given below as per Form B of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

##### Research and Development (R & D):

1.	Specific areas in which R&D is carried out by the Company:	Designing of Shopping malls and mixed use projects as per the best industry standards are the areas in which general research and development work is carried out by the Company.
2.	Benefits derived as a result of the above R & D	
3.	Future Plan of Action	
4.	<b>Expenditure on R &amp; D</b>	Included in the project cost.
	a. Capital	
	b. Recurring	
	c. Total	
	d. Total R & D expenditure as a percentage of total turnover	

##### Technology absorption, adaptation and innovation:

1.	Efforts in brief, made towards technology absorption, adaptation and innovation	Nil
2.	Benefit derived as a result of the above efforts e.g. product improvement, cost reduction, product development, import substitution etc.	Nil
3.	In case of Imported Technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:	Nil
	a. Technology Imported	
	b. Year of Import	
	c. Has technology been fully absorbed	
	d. If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action	

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

(Rs. in lacs)

	Current Year (Rs)	Previous Year (Rs)
Foreign Exchange Earnings	Nil	Nil
Foreign Exchange Outgo	Nil	11.35

**Annexure II**

Disclosures as required under SEBI (Employees Stock Option Scheme & Employees Stock Option Purchase Scheme) Guidelines, 1999.

The below disclosure is in respect of "Future Market Networks Limited Employee Stock Option Scheme (ESOS) – 2012" in respect of the year ended March 31, 2014.

Sr.No	Particulars	"Future Market Networks Limited Employee Stock Option Scheme (ESOS) – 2012"
1)	Options granted during the year	Nil (PY: 506000)
2)	Pricing Formula	Rs. 12/- per share (Face Value of Rs. 10/- each)
3)	Options Vested	122250 (PY: Nil)
4)	Options exercised	Nil
5)	The total number of shares arising as a result of exercise of option.	Nil
6)	Options Lapsed	17000 (PY: Nil)
7)	Variations of terms of Options	None
8)	Money realized by exercise of options.	Nil
9)	Total number of Options in force	4,89,000 (PY: 5,58,000)
10)	Employee wise details of options granted to:	
a)	Senior Managerial Personnel (Directors and Key Managerial Personnel)	<b>Directors:</b> Mr. K.K Rathie Mr. Rajesh Kalyani <b>Key Managerial Personnel:</b> Mr. Pawan Agarwal Mr. Anil Cherian
b)	Any other employee who receives a grant in any one year of options amounting to 5% or more of options granted during the year.	None
c)	Identified employees who were granted option during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company from the time of grant.	None
11)	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 "Earning Per Share".	Refer Note No. 38 of Standalone
12)	Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation that shall have been recognized if it had used the fair value of options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	Refer Note No. 38 of Standalone
13)	Weighted average exercise prices and weighted average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Refer Note No. 38 of Standalone
14)	A description of the method and significant assumptions used during the year to estimate the fair values of options, including the following weighted average information:	Refer Note No. 38 of Standalone
i.	Risk free interest rate;	7.88%
ii.	Expected life;	2.50
iii.	Expected volatility;	60.71%
iv.	Expected dividend; and	0.00%
v.	The price of the underlying share in market at the time of option grant	23.95

Note 1: Details of options granted to Directors and Key Management Personnel of the Company and its Subsidiaries are as under:

Sr. No	Name of the Directors and Key Managerial Personnel	Number of Options Granted
A.	Directors	
	Mr. K.K Rathi	50000
	Mr. Rajesh Kalyani	200000
B.	Directors of Subsidiary Companies	
	Mr. P.D. Sharma	20000
	Mr. Mukesh Agarwal	20000
C.	Senior Management Personnel	
	Mr. Pawan Agarwal	50000
	Mr. Anil Cherian	50000
	Mr. Rampal Laddha	50000



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Economic review**

The macro environment in India has been challenging since the credit crisis of 2008, with slowing growth and stretched macro stability indicators (persistently high inflation, a widening current account deficit and weak deposit growth). Fiscal 2014 was a particularly difficult year for the Indian economy with the GDP growth rate falling to its lowest level in a decade. A receding economy, rising inflation combined with heightened interest rates had an adverse impact on the savings ability of the population leading to a decline in demand for housing and real estate.

The slowdown has resulted in slippage of productivity growth in the past few years. In this context, steps that help to revive productivity growth and reduce bureaucratic interventions will be key in driving a sustainable improvement in GDP growth.

With a stable political environment, this is probably the most conducive period for a steady pace of implementation of policy reforms. This will encourage private sector investment, creating the platform to utilize the country's advantageous demographic potential and lay the foundations for real GDP growth to move to higher levels. There should be definite and concrete measures to manage growth in rural wages in line with productivity, reduce the fiscal deficit through rationalization of expenditure and tax reforms and improve the business environment. Improving the allocation of natural resources through transparent mechanisms, focusing on urbanization and improvement in infrastructure and implementing policy reforms to iron out the regulatory issues in the area of taxes and approval related functions should be given priority.

### **Real Estate Market**

The real estate sector in India is being recognized as infrastructure service that is driving the economic growth engine of the country. The Indian real estate market size is expected to touch US\$ 180 billion by 2020. Foreign Direct Investment (FDI) in the sector is expected to increase to US\$25 billion in the next 10 years, from present US\$ 4 billion.

Demand is expected to grow at a compound annual growth rate (CAGR) of 19 per cent by end of FY 2014 with tier 1 metropolitan cities projected to account for about 40% of this. Growing infrastructure requirements from sectors such as education, health care and tourism are also providing opportunities in real estate sector.

The construction industry ranks third among 14 major sectors in terms of direct, indirect and induced effects in all sectors of the economy. The industry's growth is linked to developments in the retail, hospitality and entertainment (hotels, resorts, cinema theaters) sectors, economic services (hospitals, schools) and information technology (IT) enabled services (like call centers). The housing sub-sector contributes five – six per cent to the country's gross domestic product (GDP). Mean while, retail, hospitality and commercial real estate are also growing significantly, catering to India's growing needs of infrastructure.

### **Outlook and opportunities**

The Company has taken some initial leads in each of its business verticals in the previous year and has aligned with "best in class" partners in each of the verticals. However a sluggish economy and concerns in certain joint development programs caused certain delay in our momentum in translating our plans into execution in the year under review.

The positive sentiments prevailing post General Elections are motivating the economy to perform better and push the limits but it may take a few months before the growth in the real estate industry is actually visible. As long as the government's action plans focus on a progressive economy, we believe that the industry operations will revive in the coming few quarters. We hope that the government will focus on policies that will reduce the burden on real estate developers by accelerating the approval process, reducing the interest costs and taxes levied and controlling the trending inflationary pressures.

### **Infra Logistics**

The Company established an alliance with IL&FS on equal partnership to set up logistics infrastructure parks across the country made certain progress in acquisition of land at Jhajjar, Haryana. However the Company is evaluating various options on this segment along with our joint venture partner. In the event that the partners found viability of the project is not suitable in the existing economic environment, we may exit from this sector.

### **Wholesale Markets**

Modern wholesale markets are increasingly a common feature in fast growing regions like China, South East Asia and the Middle East. Some of the largest ones are located in China's wholesale trading hub, Yiwu and the Dragon Mart in Dubai. These wholesale markets provide requisite facilities for domestic and international traders dealing in categories like accessories, cosmetics, toys, electronics and home appliances, IT accessories, stationery markets, kitchen and bathroom ware, bags and leather products and construction hardware.

During the year under review, "World Market" - at the Old Madras Road to the east of Bangalore city has received necessary regulatory approvals and launched the market to the public. We are getting robust response from entrepreneurs to the sales program. The World Market, Bangalore is spread over 200,000 sq ft of space. We shall, in consultation with our partners, explore possibilities to develop the balance land parcel in the 11 acre campus to achieve optimum returns.



Your company has aligned with Fung Properties, part of the Hong Kong-based Li & Fung Group, for this business and they are actively participating in the bringing in their understanding of these markets in South East Asia as also their very substantial relationships with traders and manufacturers from this region.

### **Retail Infrastructure**

During the year under review, your company executed transaction documents to take retail space aggregating to 450,000 sq ft on long term leases in Mumbai and Amritsar. Also the Company has entered into preliminary understanding to manage shopping malls aggregating to app 550,000 sq ft at Ujjain, Madhya Pradesh and Nanded, Maharashtra.

The Company has aligned this business with Star Shopping Centres Private Limited (SSCPL), in which the Company holds 60% equity capital and is managing more than two million sq ft of retail space today in India. SSCPL has crafted a unique model, quite akin to the model of commercial engagement followed by international hotel management brands, by leveraging its deep understanding of the category retail infrastructure and its management.

### **Residential and Mixed use Project**

The Company is evaluating various proposals to develop residential and mixed use projects in strategic locations of the Country including land parcels owned by the Company through special purpose vehicle companies. The projects will be unique in nature that will cater to the needs of wide variety of customers.

### **Risk**

**Business Risk:** The business of construction and development is heavily dependent on the performance of the real estate market in India and could be adversely affected if market conditions deteriorate. The real estate market is significantly affected by changes in government policies, economic conditions, demographic trends, employment and income levels and interest rates, among other factors. The development of real estate projects involves various risks including regulatory risks, financing risks and the risks that these projects may ultimately prove to be unprofitable.

**Economy Risk:** Economic and market conditions can adversely affect the performance of the Company. In particular, the decline in the performance of the global and Indian economies as a result of the economic downturn can reduce demand and occupancy levels in property markets. An increase in interest rates or an increase in the margin on which finance can be obtained may increase the Company and the Subsidiary's financing costs and such increase in interest rates may increase the cost of borrowing, which could have an adverse impact on the Company and the Subsidiary's business, financial condition and results of operations.

### **Financial Performance**

**Total Income:** The Company achieved total revenue of Rs. 8208.79 Lacs during the financial year ended March 31, 2014.

**Operating Profit:** During the year financial year ended March 31, 2014, the Company achieved operating profit of Rs. 337.83 Lacs.

**Profit/Loss after Tax:** The Company recorded loss of Rs. 6582.98 Lacs for financial year ended March 31, 2014.

### **Risk, Internal Control System and Adequacy:**

The Company has adequate internal control procedure commensurate with its size and nature of the business. The internal control system is supplemented by extensive internal audits, regular reviews by management and well-documented policies and guidelines to ensure reliability of financial and all other records to prepare financial statements and other data. Moreover, the Company continuously upgrades these systems in line with best accounting practices. The Company has independent audit systems to monitor the entire operations and the Audit Committee of the Board review the findings and recommendations of the internal auditors.

### **Human Resources:**

The Company regards its human resources as amongst its most valuable assets and proactively reviews policies and processes by creating a work environment that encourages initiative, provides challenges and opportunities and recognizes the performance and potentials of its employees. The industrial relations across different locations of the Company were cordial during the year. The Company has, over the last few months, built the team necessary to be able to build and execute the vision that has been articulated in the preceding paragraphs. The total number of employees of the Company as on March 31, 2014 stood at 49.

### **Cautionary Statement:**

This report contains forward-looking statements based on certain assumptions and expectations of future events. Actual performance, results or achievements may differ from those expressed or implied in any such forward – looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

## REPORT ON CORPORATE GOVERNANCE

The Equity shares of the Company have been listed on the BSE Limited and National Stock Exchange of India Limited.

In accordance with Clause 49 of the Listing Agreement on Corporate Governance (Clause 49) with the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE), the report containing the details of corporate governance systems and processes at Future Market Networks Limited are as under:

### I. Corporate Governance Philosophy

The Company firmly believes that the governance process must aim at managing the affairs without undue restraints for efficient conduct of its business, so as to meet the aspirations of shareholders, employees, customers, vendors and society at large.

The cardinal principles such as independence, accountability, responsibility, transparency, fair and timely disclosure, credibility among others serve as the means of implementing the philosophy of Corporate Governance in both letter and spirit.

We believe that sound Corporate Governance is critical to enhance and retain investor trust. Accordingly, we always seek to ensure that we attain our performance with integrity and the Board exercises its fiduciary responsibilities in the widest sense of the term.

The Company recognizes that good Corporate Governance is a continuing exercise and reiterates its commitment to achieve highest standards of Corporate Governance in the overall interest of all the stakeholders.

### II. Board of Directors

#### A. Composition and category of Board

The Board of Directors of the Company consists of distinguished personalities with considerable professional expertise and experience in the fields of business & industry, finance, law and management. Your Company's policy is to maintain optimum combination of executive and non executive directors in compliance with the requirements of Clause 49 (I) (A) of the Listing Agreement and applicable provisions of Companies Act.

As on the date of this report, the strength of the Board of Directors is Six (6) out of which three are independent Directors. Composition of the Board and category of the Directors is as below. The Chairman of your Company is Non Executive, Independent Director.

S. no.	Name of the Director	Category
1.	Mr. Ameet Naik	Non- Executive Chairman and Independent Director
2.	Mr. Sunil Biyani*	Managing Director
3.	Mr. Rahul Saraf	Independent Director
4.	Mr. Vijai Singh Dugar	Independent Director
5.	Mr. K K Rath	Non Executive Director
6.	Mr. Rajesh R. Kalyani	Non Executive Director
7.	Mr. Sumit Dabirwala**	Non Executive Director

Notes:

- Mr. Ameet Naik has been appointed as the Chairman of the Company with effect from May 30, 2013.
- \* Mr. Sunil Biyani has been appointed as an additional director and managing director w.e.f. May 30, 2013
- Mr. P.L. Agarwal resigned as a director w.e.f. April 12, 2013
- \*\* Mr. Sumit Dabirwala resigned as Managing Director w.e.f. May 30, 2013 and resigned as a Director w.e.f. April 01, 2014.

**B. Board Meetings**

The Board of Directors met four (4) times during the year ended March 31, 2014. The dates on which the Board Meetings were held during the year are as follows:

i)	May 30, 2013	ii)	August 9, 2013
iii)	October 28, 2013	iv)	February 7, 2014

The provisions relating to the time period between two Boards meetings not exceeding 4 months have been complied. The necessary quorum was present for all the meetings. None of the non-executive directors have any pecuniary relationship or transaction with the company.

During the year 2013-14, information as mentioned in Annexure 1A to Clause 49 of the Listing Agreements has been placed before the Board for its consideration and review.

**C. Directors' attendance record and other Directorships held**

The names and categories of the Directors on the Board, their attendance at Board meetings and Annual General Meeting held during the year, the number of Directorships and Committee Chairmanships/ Memberships held by them in other public companies as on March 31, 2014 are given herein below.

Name of Director	Position	Meetings held during the year	Meetings attended	Whether attended last AGM	Number of Directorship of other public companies (excluding foreign Companies)	Committee Positions of other public companies		Pecuniary or business relation with the Company
						Chairman	Member	
Mr. Ameet Naik	Independent Director	4	3	No	1	Nil	Nil	None
Mr. Rahul Saraf	Independent Director	4	0	Yes	2	Nil	Nil	None
Mr. K K Rathi	Non Executive Director	4	3	Yes	7	1	5	None
Mr. Rajesh R. Kalyani	Non Executive Director	4	4	Yes	6	Nil	1	None
Mr. Sumit Dabriwala	Non Executive Director	4	3	Yes	4	Nil	Nil	None
Mr. Vijai Singh Dugar	Independent Director	4	4	Yes	0	Nil	Nil	None
Mr. Sunil Biyani	Managing Director	4	4	Yes	3	Nil	Nil	None

**Notes:**

- Other directorships do not include alternate directorships, directorships of private limited companies, Section 25 companies and of companies incorporated outside India.
- None of the Directors is a Member of the Board of more than 15 Public Limited Companies in terms of Section 275 of the Companies Act, 1956; Member of more than 10 committees and Chairman of more than 5 committees, across all the companies in which he is a director.
- In accordance with Clause 49, Membership / Chairmanship of only Audit Committees and Shareholder's / Investor's Grievance Committees of all Public Limited Companies have been considered.
- The Directorship / Committee Membership is based on the latest disclosures received from Directors
- Mr. Sunil Biyani has been appointed as an additional director and managing director w.e.f. May 30, 2013
- Mr. Sumit Dabriwala resigned as a Managing director w.e.f. May 30, 2013 and resigned as a Director w.e.f. April 01, 2014.
- Mr. P.L. Agarwal resigned as a director w.e.f. April 12, 2013
- Mr. Ameet Naik has been appointed as the Chairman of the Company with effect from May 30, 2013.
- Video conferencing facility was made available to directors to participate in the proceedings of the Board and its committees. Attendance of Directors includes participation in the meeting(s) through video conference.

**Details of Directors seeking appointment at the forthcoming Annual General Meeting****Mr. Ameet Naik: Independent Director**

Mr. Ameet Naik is the founding partner of Naik Naik & Company, a leading Law Firm in Mumbai with specialized focus on mergers and acquisitions, private equity and capital markets. He is recognized as a leading legal practitioner in the areas of corporate transactions.

**Mr. Vijay Singh Dugar: Independent Director**

Mr. Vijay Singh Dugar, who is a qualified Chartered Accountant and was associated with Indian Oil Corporation Limited for more than 30 years in various capacities including Finance Head of IOBL, a Subsidiary of Indian Oil Corporation Limited and has vast professional expertise spreading a span of more than three decades in corporate finance, Internal Audit, strategic business planning and investment advisory. He is also a partner in L S D & Co., Chartered Accountants, Mumbai.

**Mr. Rahul Saraf: Independent Director**

Rahul Saraf, the Managing Director of Forum Projects, has over 23 years of experience in the real estate industry. Rahul was instrumental in developing Forum, one of Kolkata's first shopping malls and won the prestigious "Brick and Mortar" Award for its quality construction. Rahul Saraf was the Vice President of CREDAI Bengal, Chairman (Eastern Region) of the India Green Building Council and is also one of the founding members of Shopping Centre Association of India.

**Mr. Rajesh Kalyani: Non – Executive Director**

Rajesh Kalyani is a Chartered Accountant with 24 years of experience in areas of business planning, project & working capital management, properties, commercial & taxation matters.

None of the Directors above holds any shares in the Company.

**As mandated under Clause 49, the Independent Directors on FMNL's Board:**

- don't have any material pecuniary relationships or transactions with the Company, its Promoters, Directors, Senior Management or its Holding Company, Subsidiaries and Associates which may affect independence as a Director.
- are not related to promoters or persons occupying management positions at the Board level or at one level below the Board.
- have not been executive of the Company in the immediately preceding three financial years
- are not partners or executives or were not partners or executives during the preceding three years of the:
  - (i) Statutory audit firm or the internal audit firm that is associated with the Company.
  - (ii) Legal firm (s) and consulting firm(s) that have a material association with the Company
- are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect independence of the Director
- are not substantial shareholders of the Company i.e. do not own two per cent or more of the block of voting shares
- are not less than 21 years of age

**D. Code of Conduct**

The Company has laid down a Code of Conduct for all its Board Members and Senior Management Personnel for avoidance of conflicts of interest and ensuring the highest standard of honesty, dedication and professionalism in carrying out their functional responsibilities. The Company's Code of Conduct is in consonance with the requirements of Clause 49 of the Listing Agreement. The Code of Conduct is posted on the Company's website [www.fmn.co.in](http://www.fmn.co.in). The code has been circulated to all the members of the Board and senior management and the compliance of the same have been affirmed by them. There are no commercial or material financial transactions, with the senior management personnel, where there is a personnel interest that may have in a potential conflict with the interest of the Company at large.



**E. Remuneration Paid or Payable to Director**

Details of the remuneration paid / payable to the Directors for the financial year 2013-14 is as below:

Name of Director	Sitting Fees Paid*	Salaries, allowances and perquisites+	Total
Sunil Biyani	-	-	-
Rahul Saraf	-	-	-
K K Rathi	60,000	-	60,000
Rajesh R. Kalyani	1,60,000	-	1,60,000
Sumit Dabhiwala	20,000	-	20,000
Ameet Naik	1,40,000	-	1,40,000
Vijai Singh Dugar	1,60,000	-	1,60,000

**Notes:**

- Sitting fees include payment to the Directors for attending meetings of Board and Audit Committee.
- Mr. Sunil Biyani, Managing Director holds 50 Equity shares of the company.
- 50,000 options have been granted to Mr. K.K Rathi under the Future Market Networks Limited Stock Options Scheme - 2012.
- 2,00,000 options have been granted to Mr. Rajesh Kalyani under the Future Market Networks Limited Stock Options Scheme - 2012.
- Service Tax is not included

**III. Board Committees**

FMNL has Five (5) Board level Committees: Audit Committee, Stakeholders Relationship Committee, Share Transfer Committee, Nomination, Remuneration and Compensation Committee and Committee of Directors. All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of reference of the Committees are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:

- Audit Committee**

The composition, role and power of the Audit Committee meet the requirements of Clause 49 of the Listing Agreement as well as applicable provisions of the Companies Act.

The Meetings of the Audit Committee were held during the year on May 30, 2013, August 09, 2013, October 28, 2013 and February 07, 2014. The minutes of the meetings of the Audit Committee are reviewed and noted by the Board. The composition of the Committee and the attendance at the meetings of the Committee are given below:

Name of Member	Category	Position	No. of Meetings held	No. of Meetings attended
Mr. Vijai Singh Dugar	Independent Director	Chairman	4	4
Mr. Rahul Saraf	Independent Director	Member	4	0
Mr. Ameet Naik	Independent Director	Member	4	4
Mr. Rajesh Kalyani	Non Executive Director	Member	4	4

**Notes:**

- Mr. P.L Agarwal resigned as Chairman and Member of the Audit Committee of the Company with effect from April 12, 2013.
- The Board of Directors at their meeting held on May 30, 2013 has reconstituted Audit committee. Mr. Vijai Singh Dugar, an independent director of the Company was appointed as a Chairman of the Audit Committee.



The members of the Audit Committee are paid sitting fees of Rs. 20,000/- for every meeting of the Committee attended by them. Chairman of the Committee is Mr. Vijai Singh Dugar, an independent director of the Company. The terms of reference of the Audit Committee is in conformity with those mentioned in Clause 49 of the Listing Agreement of the Stock Exchanges as well as applicable provisions of the Companies Act.

The Audit Committee invites such of the executives, as it considers appropriate (particularly the head of the finance function), representatives of the statutory auditors and representatives of the internal auditors to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee.

The previous Annual General Meeting (AGM) of the Company was held on September 27, 2013 and was attended by Mr. Vijai Singh Dugar, Chairman of the Audit Committee.

## (i) Powers of the Audit Committee

The Audit Committee of the Company is supported by professional Internal Auditors, inter alia, provides reassurance to the Board on the effective internal control and compliance environment that ensures:

- Efficiency and effectiveness of operations, both domestic and overseas;
- Reliability of financial and management information and adequacy of disclosures;
- Safeguarding of assets and adequacy of provisions of all liabilities; and
- Compliance with all relevant statutes.

## (ii) Terms of reference of the Audit Committee

The functions of the Audit Committee of the Company include the following:

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Reviewing with the management, performance of the statutory and internal auditors and adequacy of the internal control system.
- To ensure compliance of Internal Control Systems and action taken on Internal Audit reports.
- To appraise the Board on the impact of accounting policies, auditing standards and legislation.
- To hold periodical discussions with statutory auditors on the nature and scope of the audit.
- To review the Company's financial and risk management policies.
- To seek any information and investigate any activity with terms of its reference.
- To carry out any other function as mentioned in the terms of reference of the Audit Committee.

## B. Nomination, Remuneration and Compensation Committee

The erstwhile Nomination and Compensation Committee has been renamed as Nomination, Remuneration and Compensation Committee at the Board Meeting held on April 24, 2014.

The Board of Directors at their meeting held on May 30, 2013 has reconstituted Nomination, Remuneration and Compensation Committee.

### Composition:

The Nomination, Remuneration and Compensation Committee comprises of three Directors, the majority of whom are Independent. Chairman of the Committee is Mr. Vijai Singh Dugar, an independent director of the Company. The composition of the Nomination, Remuneration and Compensation Committee as on March 31, 2014 is as follows:

Name of Member	Category	Position	No. of Meetings held	No. of Meetings attended
Mr. Vijai Singh Dugar	Independent Director	Chairman	1	1
Mr. Ameet Naik	Independent Director	Member	1	1
Mr. Rajesh Kalyani	Non Executive Director	Member	1	1

### Terms of Reference

The Committee determines, reviews and recommends managerial remuneration in addition to reviewing overall compensation structure, Employee Stock Option Scheme and policies of the Company with a view to attract, retain and motivate employees, reviewing compensation levels of the Company's employees vis-à-vis other companies and industry in general.

During the financial year 2013-14, the Committee met once on May 30, 2013.

No sitting fee is paid to the members of the Nomination, Remuneration and Compensation Committee.

**Notes:**

- Mr. P.L Agarwal resigned as the Director and Member of the Compensation and Nomination Committee of the Company with effect from April 12, 2013.
- Mr. Ameet Naik is appointed as Member of the Compensation and Nomination Committee with effect from May 30, 2013.

**C. Share Transfer Committee**

The Share Transfer Committee of the Company comprises of Mr. K K Rathi, Mr. Rajesh Kalyani and Mr. Vijai Singh Dugar.

The committee is authorized to approve the Transfer/ Transmission of Shares, dematerialization and rematerialization of Shares, deletion of name, split, consolidation and issuance of duplicate shares and review from time to time. The committee oversees the performance of the Registrars and Share Transfer Agents i.e Link Intime India Private Limited. The Committee met 3 (Three) times during the year ended March 31, 2014.

The composition of the Share Transfer Committee is given below:

Name of Member	Category	No. of Meetings held	No. of Meetings attended
Mr. KK Rathi	Non Executive Director	3	3
Mr. Rajesh Kalyani	Non Executive Director	3	3
Mr. Vijai Singh Dugar*	Independent Director	-	-
Mr. Sumit Dabriwala**	Managing Director	3	3

No sitting fee is paid to the members of the Share Transfer Committee.

**Notes:**

- \* Mr. Vijai Singh Dugar was appointed as Member of the Share Transfer Committee with effect from April 24, 2014.
- \*\* Mr. Sumit Dabriwala resigned as a member of share transfer committee w.e.f. April 24, 2014.

**D. Stakeholders Relationship Committee**

The erstwhile Shareholders Grievance Committee has been renamed as Stakeholders Relationship Committee at the Board Meeting held on April 24, 2014.

The Stakeholders Relationship Committee functions with the objective of looking into redressal of Shareholders' and Investors' grievances relating to non-receipt of dividend, fractional entitlement consequent to demerger, refund orders, shares sent for registration of transfer, Annual Report etc. The Committee was reconstituted at the Board Meeting held on May 30, 2013. The Committee consists of the following Directors:

Name of Member	Category
Mr. Ameet Naik	Independent Director
Mr. Rajesh Kalyani	Non Executive Director
Mr. Vijai Singh Dugar*	Independent Director
Mr. Sumit Dabriwala**	Non Executive Director

**Notes:**

- Mr. P.L Agarwal, resigned as member of the Shareholders' / Investors' Grievance Committee, w.e.f April 12, 2013.
- Mr. Ameet Naik was appointed as Member of the Shareholders' / Investors' Grievance Committee with effect from May 30, 2013.
- \* Mr. Vijai Singh Dugar was appointed as Member of the Shareholders' / Investors' Grievance Committee with effect from April 24, 2014.
- \*\* Mr. Sumit Dabriwala resigned as a member of Shareholders' / Investors' Grievance Committee w.e.f. April 24, 2014.

There were no major complaints received from the Shareholders of the Company. The Complaints received were promptly replied by the Registrar and Share Transfer Agents of the Company. The Directors are not paid any sitting fees for attending the meeting of the aforesaid Committee.

Based on the report received from the Company's Registrars and Share Transfer Agent, during the year ended March 31, 2014, there were 7 (seven) Investor Complaints received and the same were processed. No complaints were outstanding as on March 31, 2014.

The Company Secretary of the Company has been nominated as the Compliance Officer of the Company.

#### **E. Committee of Directors**

The Committee of Directors comprises of Mr. KK Rathi, Mr. Rajesh Kalyani and Mr. Vijai Singh Dugar. The committee of Directors is authorized to take decisions which are required for the day to day operations of the Company. The Committee of Directors was re-constituted at the Board meeting held on May 30, 2013.

The composition of the Committee of Directors is given below:

<b>Name of Member</b>	<b>Category</b>
Mr. K K Rathi	Non Executive Director
Mr. Rajesh Kalyani	Non Executive Director
Mr. Vijai Singh Dugar	Independent Director

The committee met 10 (Ten) times during the year. The Minutes of the meetings of Committee of Directors are reviewed and noted by the Board. No sitting fee is paid to the members of the Committee of Directors.

#### **Notes:**

- Mr. Sumit Dabhiwala resigned as member of the Committee of Directors, w.e.f May 30, 2013.
- Mr. Vijai Singh Dugar was inducted as a member of the Committee of Directors, w.e.f May 30, 2013.

#### **IV. Subsidiary Monitoring Frame Work**

As on March 31, 2014, it has Sixteen (16) subsidiary companies and two (2) downstream subsidiary companies.

#### **V. Code for Prevention of Insider Trading Practices**

Pursuant to the Securities and Exchange Board of India, (Prohibition of Insider Trading) Regulations 1992, read with relevant provisions of the Company Act, a comprehensive code for prevention of Insider Trading is in place. The objective of the Code is to prevent purchase and/or sale of shares of the Company by an insider on the basis of unpublished price sensitive information. Under this Code, Directors and designated employees are completely prohibited from dealing in the Company's shares during the closure of Trading Window. To deal in securities beyond specified limit, permission of Compliance Officer is mandated. All the designated employees are also required to disclose related information periodically as defined in the Code.

The Company Secretary of the Company has been nominated as the Compliance Officer of the Company.

#### **VI. General Body Meeting**

The Company convenes Annual General Meeting (AGM) within the stipulated time period. The details of the Special Resolutions passed at in the previous three AGM are given below:

- a. Details of the Special Resolutions passed at in the previous three Annual General Meeting:

<b>Financial Year</b>	<b>Day, Date &amp; Time</b>	<b>Venue</b>	<b>Special Resolution Passed</b>
2010-2011	Wednesday September 28, 2011 2.00 p.m	Sunville Banquets, 9, Dr. Annie Besant Road, Worli, Mumbai – 400018	Increase in percentage of investment by Foreign Institutional Investors in the Share Capital of the Company, not exceeding an aggregate 49% of the paid up share capital of the Company.
2011-2012	Tuesday August 14, 2012 2.00 p.m	Sunville Banquets, 9, Dr. Annie Besant Road, Worli, Mumbai – 400018	<ul style="list-style-type: none"> <li>• Approval of Employees Stock Option Scheme 2013 (ESOS-2013) for Employees of the Company</li> <li>• Approval of Employees Stock Option Scheme 2013 (ESOS-2013) for Employees of the Subsidiaries of the Company</li> </ul>

Financial Year	Day, Date & Time	Venue	Special Resolution Passed
2012-13	Friday September 27, 2013 2.30 p.m.	Sunville Banquets 9, Dr. Annie Besant Road, worli, Mumbai – 400 018	<ul style="list-style-type: none"> <li>Statutory registers to be kept and maintained at the office of the Registrar &amp; Transfer Agent as appointed from time to time.</li> </ul>

- b. Details of Special Resolutions passed at the Extraordinary General Meetings for the last 3 years.  
No extra ordinary general meeting of the company was held during the last 3 (three) years.
- c. The Company has passed a special resolution through postal ballot pursuant to 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules 2001 details of which are as under:

Financial Year	2013-14
Date of Postal Ballot	Postal Ballot Results were declared by chairman on Monday, October 21, 2013
Scrutinizer	Mr. Alwyn D'souza, Practising Company Secretary of M/s. Alwyn D'souza & Co.
Details of the postal Ballot	on September 18, 2013, the Company had completed the dispatch of the notice under Section 192A of the Companies Act, 1956, along with the Postal Ballot forms and self addressed prepaid reply envelopes to the members of the Company whose names appeared on the Register of Members/ List of Beneficiaries as on September 13, 2013. Further, the Company had appointed National Securities Depository Limited, (NSDL) to provide e-voting facility to its members whereby the members having shares in demat form and in physical form may vote either by way of Postal Ballot Form or by way of e-voting.
Resolution	To Alter the Object clause of the Memorandum of Association of the Company in order to comply with the Foreign direct investment guidelines
Details of the voting pattern	Details of the votes casted for Special Resolution under section 17 of the Companies Act, 1956 are as under:

Sr. No	Particulars	No. of Postal Ballot Forms	No. of Shares Voted Upon	Aggregate in value (Rs.)	Percentage of total paid up Equity Capital as on 31/3/2013	Percentage of Valid votes cast
a)	Total Postal Ballot Forms received(*)	270	38742981	387429810		
b)	Less : Invalid Postal Ballot Forms	26	6642	66420		
c)	Net Valid Postal ballot forms	244	38736339	387363390		
d)	Postal Ballot Forms with assent for the Resolution	233	38733798	387337980	69.348%	99.993%
e)	Postal Ballot Forms with dissent for the Resolution	11	2541	25410	0.005%	0.007%

## VII. Additional Shareholders Disclosure/ information

- a. During the financial year 2013-14, there were no transactions of material nature with the directors or the management or their subsidiaries or relatives that had potential conflict with the interest of the Company.
- b. The Company has complied with the requirements of the Stock Exchanges/SEBI/and other Statutory Authorities on all matters related to capital markets during the last three years. No penalties or structure have been imposed on the Company by the Stock Exchange or SEBI or any other statutory authorities.
- c. At present, the Equity Shares of the Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Annual Listing fees for the year 2014-15 have been paid to BSE and NSE.
- d. The Company has paid custodial fees for the year 2014-15 to National Securities Depository Limited and Central Depository Services (India) Limited on the basis of number of beneficial accounts maintained by them.

**VIII. Means of Communication:**

- a) Quarterly Results were published in newspapers, viz., Free Press Journal and Navshakti.
- b) The Company has its own web site and all vital information relating to the Company and its products etc have been uploaded on the web site for the benefit of the public at large. Company's web site address is [www.fmn.co.in](http://www.fmn.co.in)
- c) Management Discussion and Analysis forms part of the Annual Report.

**IX. General Shareholders information:**
**a. Annual General Meeting**

- i. AGM Date : September 18, 2014
- ii. Time & Venue : 3.00 P.M., Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400018

**b. Financial Year** : 1st April to 31st March

**c. Book Closure** : September 15, 2014 to September 18, 2014

**d. Financial Calendar (tentative) :**

- First Quarterly Result : on or before 14th August
- Second Quarterly Result : on or before 14th November
- Third Quarterly Result : on or before 14th February
- Financial year ending : on or before 30th May

**e. Listing on Stock Exchanges**

- I. BSE Limited (BSE)  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001  
Scrip Code : 533296
- II. National Stock Exchange of India Limited(NSE)  
"Exchange Plaza", Bandra-Kurla Complex,  
Bandra (E), Mumbai 400 051  
Trading Symbol - FMNL  
ISIN : INE360L01017

**f. Stock Market Data**

High, lows and Volumes of FMNL from April 1, 2013 to March 31, 2014 at BSE and NSE.

Month	BSE			NSE		
	High (Rs)	Low (Rs)	Volume (Number of Shares Traded)	High (Rs)	Low (Rs)	Volume (Number of Shares Traded)
April 2013	14.6	11.83	5257	14.30	12.10	6621
May 2013	13.65	9.51	753216	13.2	9.50	252383
June 2013	11	7.25	64062	10.3	8.10	76140
July 2013	10.19	7.13	52340	10.00	7.70	36229
August 2013	10	7.62	18311	8.45	7.00	2661
September 2013	8.25	7.00	71508	8.05	7.00	6339
October 2013	9.2	6.38	280468	9.30	6.65	166469
November 2013	8.82	6.28	45422	8.25	6.10	22100
December 2013	14.08	8.00	55725	13.30	7.85	12519
January 2014	20.69	14.05	26847	18.95	13.90	3718
February 2014	16.35	10.4	8476	14.25	9.50	8237
March 2014	10.95	8.20	219247	10.95	8.65	38065

**g. Distribution of Shareholding**

The distribution of the shareholding of the Equity Shares of the Company by size and by ownership class as on March 31, 2014 is as below:

**i. Distribution of shareholding as on March 31, 2014**

Distribution Range of Shares	No. of Shares	% of Shares	No. of Shareholders	% of Shareholders
1 – 500	519336	0.93	16305	95.82
501 – 1000	234086	0.42	292	1.72
1001 – 2000	233705	0.42	155	0.91
2001 – 3000	181175	0.32	71	0.42
3001 – 4000	109074	0.2	31	0.18
4001 – 5000	167322	0.3	36	0.21
5001 – 10000	332955	0.6	49	0.29
Greater than 10000	54076753	96.82	78	0.46
<b>Total</b>	<b>55854406</b>	<b>100</b>	<b>17017</b>	<b>100</b>

**ii. Shareholding pattern by ownership as on March 31, 2014**

Categories	As on March 31, 2014	
	No. of Shares	Percentage
Promoters, Directors, Relatives and Associates	38386700	68.73
Foreign Institutional Investor/ Mutual Funds	28370	0.05
Public Financial Institutions / State Financial Corporation / Insurance Companies	319999	0.57
Mutual Funds (Indian) and UTI	12743	0.02
Nationalized and other Banks	261202	0.47
NRI / OCBs	22329	0.04
Public	16801596	30.08
Others (CBP/CM)	21467	0.04
<b>Total</b>	<b>55854406</b>	<b>100</b>

**h. Dematerialization of Shares**

As on March 31, 2014, 55788502 Equity Shares representing 99.88% of the total equity capital of the Company were held in dematerialized form. The bifurcation of shares held in Physical and Demat form as on March 31, 2014, are given below:

Particulars	No. of Shares	Percentage
Physical Segment	65,904	0.12
Demat Segment		
NSDL	54676938	97.89
CSDL	1111564	1.99
<b>Total</b>		<b>100.00</b>

Physical Shares are transferred at the office of M/s Link Intime India Pvt Ltd., C/13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W) Mumbai-400078, the Registrar & Transfer Agent of the Company. Any query or complaint may be referred to the said address.

**i. Shares held in Abeyance and Fractional Shares**

570 Equity shares of the Company which have been issued under the scheme of demerger with Pantaloon Retail India Limited (now known as Future Retail Limited, FRL) are kept in abeyance and the said shares will be allotted subsequent to completion of legal formalities to allot the original shares in FRL which are currently held in abeyance.



Fractional shares on the allotment of shares subsequent to the demerger of the Company from Future Retail Limited were sold in the open market and the proceeds of the same were proportionately distributed to shareholders who were entitled to such fractional shares.

Fractional entitlement shares on the allotment of shares pursuant to the Scheme of Amalgamation of Future Realtors India Private Limited, AIGL Holding And Investments Private Limited and Prudent Vintrade Private Limited with the Company were consolidated in the hands of a nominated person and equity shares were issued and allotted to such person and the said shares shall be sold by him at a suitable time. The sale proceeds of these shares will be proportionately distributed to shareholders who were entitled to such fractional shares.

**j. Share Transfer system:**

Transfer of shares held in physical mode is processed by M/s Link Intime India Pvt Ltd, C/13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai-400078, Share Transfer Agent and approved by the Share Transfer Committee. Valid Share Transfer in physical form and complete in all respects were approved, registered and dispatched within stipulated period.

**k. Address for correspondence:**

i. Any Query on Annual Report:

Mr. Anil Cherian  
Company Secretary  
Knowledge House  
Shyam Nagar, Jogeshwari – Vikhroli Link Road  
Jogeshwari (E), Mumbai 400 060  
Phone: 022 66201456  
Fax: 022 66201462  
Email id for investors: info.fmnl@futuregroup.in

ii. Shareholders correspondence should be addressed to:

M/s Link Intime India Pvt Ltd.  
C/13, Pannalal Silk Mills Compound  
L.B.S. Marg, Bhandup (W)  
Mumbai-400078  
Phone: 022-2596 3838  
Fax: 022-2594 6969  
Email: rnt.helpdesk@linkintime.co.in

Shareholders holding shares in electronic mode should address their correspondence to their respective Depository Participants.

**X. Compliance on Clause 49 of the Listing Agreement**

In so far as compliance with the requirements of Clause 49 of the listing Agreement with the stock exchanges for the year ended March 31, 2014, the Company has complied with the mandatory norms and disclosures that have to be made in Corporate Governance report. The Company has not adopted any non mandatory requirements suggested under the Corporate Governance. The Statutory Auditors have certified that the Company has complied with conditions of Corporate Governance as stipulated in Clause 49 and the certificate is annexed to this report.

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## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members,  
Future Market Networks Limited

We have examined the compliance of conditions of Corporate Governance by Future Market Networks Limited for the year ended on March 31, 2014, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For NGS & Co LLP**

Chartered Accountants  
Firm Registration No. 119850W

**Ganesh Toshniwal**

Partner  
Membership No. 046669

Place: Mumbai  
Date: May 28, 2014

# Financial Statements and Notes

## AUDITORS REPORT

To the Members of  
Future Market Networks Limited

### Report on the Financial Statements

We have audited the accompanying financial statements of **FUTURE MARKET NETWORKS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014.
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account ;
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - e) On the basis of written representations received from the Directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section(1) of Section 274 of the Companies Act, 1956.

**For NGS & Co. LLP**  
Chartered Accountants  
Firm Registration No. 119850W

**Ganesh Toshniwal**  
Partner  
Membership No. 046669

Mumbai  
May 28, 2014

**ANNEXURE TO AUDITORS' REPORT**

**Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date**

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) In our opinion, a substantial part of fixed assets has not been disposed off during the year.
- ii. The Company did not have any inventory. Therefore, the provisions of clause 4 (ii) of the Order are not applicable to the Company.
- iii. The Company has not granted/taken any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Therefore, the provisions of clause 4(iii) of the Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for purchase of fixed assets and for the sale of services. There were no transactions for purchase of inventories and sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- v. (a) In our opinion, the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Act have been so entered.
- (b) In our opinion, the transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public.
- vii. In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
- viii. Since the Company is neither engaged in manufacturing, processing, production and mining activities, to the best of our knowledge and belief, provisions of Section 209(1)(d) of Companies Act, 1956 are not applicable to the Company. Therefore, the provisions of clause 4(viii) of the Order are not applicable to the Company.
- ix. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income-tax, sales-tax, wealth-tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident funds, investor education and protection fund, employee's state insurance, income-tax, wealth tax, service tax, sales-tax, customs duty, excise duty, cess and undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable
- (c) The disputed statutory dues that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Name of the Statute	Nature of the dues	Amount (Rs.)	Period	Forum
Income Tax Act, 1961	Tax Liability on Regular Assessment	23.67 lacs	A.Y. 2009-10	CIT (Appeals)
Income Tax Act, 1961	Tax Liability on Regular Assessment	12.63 lacs	A.Y. 2011-12	DCIT (Appeals)
Income Tax Act, 1961	Tax Liability on Regular Assessment	3.17 lacs	A.Y. 2011-12	DCIT (Appeals)

- x. The Company's accumulated losses at the end of financial year are less than fifty percent of the net worth and it has incurred cash losses in the current year, and in preceding financial year.
- xi. Based on our audit procedures and as per the information and explanations given by management, we are of the opinion that the Company has not defaulted in repayment of dues to banks and financial institutions. There were no dues repayable to debenture holders during the year.
- xii. According to the information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore the provisions of clause 4 (xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us, the Company has given guarantee for loans taken by others from banks or financial institutions, the terms and conditions whereof, in our opinion, are not prima facie prejudicial to the interest of the Company.
- xvi. In our opinion, the Company has applied the term loans for the purpose for which the loans were obtained.
- xvii. In our opinion and according to the information and explanations given to us and on overall examination of the Balance Sheet and Cash Flow Statement of the Company, we report that funds raised on short-term basis have, prima facie, not been used during the year for long term investment.
- xviii. The Company has not made any preferential allotments of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. The Company did not issue nor have any outstanding debentures during the year.
- xx. The Company has not raised any money by public issues during the year. Therefore, the provisions of clause 4 (xx) of the Order are not applicable to the Company.
- xxi. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

**For NGS & Co. LLP**

Chartered Accountants  
Firm Registration no. 119850W

**Ganesh Toshniwal**

Partner  
Membership No. 046669

Mumbai  
May 28, 2014



**BALANCE SHEET AS AT MARCH 31, 2014**

(Rupees in Lacs)

Particulars	Note	As at March 31, 2014	As at March 31, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	5,585.44	5,585.44
Reserves and Surplus	3	19,221.44	25,782.52
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	22,940.00	20,250.72
Other Long Term Liabilities	5	9,988.63	9,319.90
Long-Term Provisions	6	10.78	6.24
<b>Current Liabilities</b>			
Short-Term Borrowings	7	16,770.11	13,068.75
Trade Payables	8	3,116.81	2,743.70
Other Current Liabilities	9	12,445.58	13,112.33
Short-Term Provisions	10	2.16	1.24
<b>TOTAL</b>		<b>90,080.94</b>	<b>89,870.86</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	11	30,679.74	32,717.57
Capital work-in-progress		946.72	946.72
Non-Current Investments	12	20,388.56	21,739.30
Long-Term Loans and Advances	13	20,116.31	18,195.60
<b>Current Assets</b>			
Current Investments	14	-	1.06
Trade Receivables	15	4,219.18	4,776.60
Cash and Bank Balances	16	825.04	67.45
Short-Term Loans and Advances	17	12,905.40	11,426.55
<b>TOTAL</b>		<b>90,080.94</b>	<b>89,870.86</b>
The notes form an integral part of these financial statements	1-39		

**As per our Report of even date attached**
**For NGS & Co. LLP**

Chartered Accountants

**Ganesh Toshniwal**

Partner

**Membership No. 046669**

Mumbai

May 28, 2014

**For and on behalf of the Board of Directors**
**Ameet Naik**

Chairman

**Sunil Biyani**

Managing Director

**Vijai Singh Dugar**

Director

**Pawan Agarwal**

Chief Financial Officer

**Anil Cherian**

Company Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014**

(Rupees in Lacs )

Particulars	Note	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>INCOME:</b>			
Revenue from Operations	18	<b>7,709.29</b>	10,953.22
Other Income	19	<b>499.50</b>	1,478.47
<b>Total Revenue</b>		<b>8,208.79</b>	12,431.70
<b>EXPENSES:</b>			
Operating Cost	20	<b>6,367.84</b>	6,770.22
Employee Benefit Expenses	21	<b>280.73</b>	458.67
Finance Costs	22	<b>5,170.29</b>	5,631.46
Depreciation	11	<b>1,750.52</b>	1,674.83
Other Expenses	23	<b>1,222.39</b>	3,072.43
<b>Total Expenses</b>		<b>14,791.76</b>	17,607.60
Loss before exceptional items and income tax		<b>(6,582.98)</b>	(5,175.91)
Exceptional items		-	(1,180.30)
<b>Profit/(Loss) before Tax</b>		<b>(6,582.98)</b>	(3,995.61)
Tax Expense:			
(1) Current tax		-	-
(2) Deferred Tax		-	(496.51)
<b>Profit/(Loss) after Tax</b>		<b>(6,582.98)</b>	(3,499.10)
<b>Earnings Per Equity Share</b>			
Equity Shares of Face Value Rs. 10 each			
Basic and Diluted		<b>(11.79)</b>	(6.26)
The notes form an integral part of these financial statements	1-39		

**As per our Report of even date attached**  
**For NGS & Co. LLP**  
Chartered Accountants

**Ganesh Toshniwal**  
Partner  
**Membership No. 046669**

Mumbai  
May 28, 2014

**For and on behalf of the Board of Directors**

**Ameet Naik**  
Chairman

**Sunil Biyani**  
Managing Director

**Vijai Singh Dugar**  
Director

**Pawan Agarwal**  
Chief Financial Officer

**Anil Cherian**  
Company Secretary

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014.****1 Significant Accounting Policies:****1.1 Basis of preparation:**

Financial Statements have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspects of the Accounting Standards (AS) notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 1956 (to the extent applicable) and Companies Act, 2013 (to the extent notified).

**1.2 Use of estimates:**

Preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of incomes and expenses during the year. Although these estimates are based upon management's best knowledge of current events and actions uncertainty about these assumptions and estimates could result in differences between the actual results and estimates, which are recognized in future periods.

**1.3 Fixed Assets and Depreciation:**

- i. Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such assets upto the date when such assets are ready for their intended use.
- ii. Depreciation on tangible assets is provided on Straight Line Method at the rates prescribed under Schedule XIV to the Companies Act, 1956, except lease hold improvements which are amortized over the period of lease. Fixed Assets, individually costing less than Rs. 5000/- (Rupees Five thousand only) are fully depreciated in the year of purchase. Depreciation on the Fixed Assets added/disposed off/discarded during the year is provided on pro-rata basis with reference to the month of addition/disposal/discarding.

**1.4 Impairment of Assets:**

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss, if any, is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

**1.5 Investments:**

Current investments are stated at lower of cost and fair value computed on individual investment basis.

Long term investments are stated at cost, less provision for other than temporary diminution in value.

**1.6 Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and can be reliably measured.



Revenue from services rendered is recognized as the service is performed based on agreements/ arrangement with concerned parties and revenue from end of the last billing to the balance sheet date is recognised as unbilled revenue.

Lease rentals income is recognized in the Statement of Profit and Loss as per the terms of agreement which is representative of the time pattern of the user's benefit.

Interest income is recognized on time proportion basis taking into account the amount outstanding and rates applicable. Dividends are recorded when the right to receive payment is established.

### 1.7 Retirement and Other Employee Benefits

Short term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

Post employment and other long term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year in which the employee has rendered service. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to Statement of Profit and Loss.

### 1.8 Taxation

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as at the Balance Sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will realized in future.

### 1.9 Provisions, Contingent Liabilities and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent liabilities are not recognized, but disclosed in the notes.

Contingent assets are neither recognized nor disclosed in the financial statements.

### 1.10 Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Rentals are expensed with reference to lease terms and other considerations.

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**
**2. SHARE CAPITAL**
**(Amount in Rs. Lacs )**

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Authorised Capital</b>		
90,260,000 Equity Shares of Rs.10/- each	<b>9,026.00</b>	9,026.00
5,000 Preference Shares of Rs.100/- each	<b>5.00</b>	5.00
	<b>9,031.00</b>	9,031.00
<b>Issued Capital*</b>		
55,854,976 Equity Share of Rs 10/- each	<b>5,585.50</b>	5,585.50
	<b>5,585.50</b>	5,585.50
<b>Subscribed and Paid up</b>		
55,854,406 Equity Share of Rs 10/- each fully paid up	<b>5,585.44</b>	5,585.44
	<b>5,585.44</b>	5,585.44
<b>* Includes 570 shares in abeyance</b>		

**a) Reconciliation of the shares outstanding is set out below:**

Particulars	March 31, 2014		March 31, 2013	
	No. of Shares	Amount	No. of Shares	Amount
Opening balance of Equity shares	<b>55,854,976</b>	<b>5,585.50</b>	55,854,976	5,585.50
Shares Issued during the year	-	-	-	-
<b>Closing balance of Equity Shares</b>	<b>55,854,976</b>	<b>5,585.50</b>	55,854,976	5,585.50

**b) Rights and restrictions attached to shares**

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder is eligible to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion of their shareholding.

**c) Details of shares held by shareholders holding more than 5% of the aggregate equity shares in the company.**

Name of the Shareholder	As at March 31, 2014		As at March 31, 2013	
	No. of Shares	% held	No. of Shares	% held
Manz Retail Private Limited	<b>16,430,824</b>	<b>29.42%</b>	16,430,824	29.42%
Future Corporate Resources Limited	<b>12,676,754</b>	<b>22.70%</b>	12,676,754	22.70%
Future Ideas Realtors India Limited	<b>8,563,367</b>	<b>15.33%</b>	8,563,367	15.33%
Rhamni Projects Private Limited	<b>8,042,291</b>	<b>14.40%</b>	8,042,291	14.40%
Ishbhoomi Mall Management Private Limited	<b>3,127,870</b>	<b>5.60%</b>	3,127,870	5.60%
<b>Total</b>	<b>48,841,106</b>	<b>87.45%</b>	48,841,106	87.45%

**d) Aggregate number and class of shares allotted as fully paid up pursuant to scheme of demerger/ amalgamation without payment being received in cash.**

During Financial year 2010-2011, 11,170,966 Equity shares of Rs 10/- each fully paid up has been allotted as per scheme of demerger and during Financial year 2011-2012, 44,683,440 Equity shares of Rs 10/- each fully paid has been allotted as per scheme of amalgamation.

**e) The company has reserved issuance of 558,000 (2012-13: 558,000) Equity shares of Rs 10/- each for offering to eligible employees of the company under Employees Stock option Scheme (ESOP). During the year, company has granted Nil (in the previous year 506,000 options were granted) option to eligible employees at exercise price of Rs 12/- per option plus all applicable taxes as may be levied in this regard on company. Out of the option granted 17,000 options were cancelled due to cessation of employment. The option vest over maximum period of 4 years or such other period as decided by the Nomination and Remuneration committee from date of grant based on specific criteria.**

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

## 3. RESERVES AND SURPLUS

(Amount in Rs. Lacs )

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Capital Reserve</b>		
As per last Balance Sheet	7,474.75	11,013.18
Less: Reduction on Scheme of Amalgamation	-	3,538.44
	7,474.75	7,474.75
<b>Securities Premium</b>	25,241.47	25,241.47
	25,241.47	25,241.47
<b>Share Option Outstanding Account</b>		
Charge for the year	21.89	-
	21.89	-
<b>Statement of Profit and Loss</b>		
Opening Balance	(6,933.70)	(85.72)
Add: Surplus/(Deficit) for the year	(6,582.98)	(3,499.10)
Add: On Scheme of Amalgamation	-	(3,348.88)
	(13,516.67)	(6,933.70)
	19,221.44	25,782.52

## 4. LONG-TERM BORROWINGS

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Secured</b>		
Term Loan from Banks	22,940.00	20,250.72
	22,940.00	20,250.72

- a) Rs. 9,580.83 lacs (2013: Rs.19,000.27 lacs) secured by specified immovable property owned by Ishkrupa Mall Management Company Private limited and personal guarantee of some shareholders.
- b) Rs. 4,125 lacs (2013: Rs. 4,750 lacs) secured by hypothecation charge on all the movable assets..
- c) Term Loan of Rs. 13,500 lacs (2013: Rs. Nil) are secured by (a) Charge on Assets of Rs. 10,500 lacs created out of the proposed Term Loan. First Pari Passu Charge on the movable fixed assets pertaining to the mall management division of the company amounting to Rs. 10,000 lacs (b) Second Pari Passu charge on the immovable property owned by M/s Bansi Mall Management Company Private Limited.
- d) Term Loan of Rs. 7,000 lacs (2013: Rs. Nil) are secured by (a) First pari pasu charge on the immovable property owned by Bansi Mall Management Company Private Limited Located at SOBO Central Mall (b) Corporate Guarantee of Bansi Mall Management Company Private Limited.

Term Loan are repayable as follows: Rs. 4,841.25 lacs is repayable in 2015-16, Rs. 6,375 lacs is repayable in 2016-17 Rs. 7,691.25 lacs is repayable in 2017-18 and Rs. 4,032.50 lacs is repayable in 2018-19.

Installments falling due in respect of all the above loans up to March 31, 2015 aggregating to Rs. 11,265.83 lacs have been grouped under current maturities of long term borrowings.

(Rate of interest between 13% to 14.25% p.a.)

## 5. OTHER LONG-TERM LIABILITIES

Particulars	As at March 31, 2014	As at March 31, 2013
Rental Deposits	9,988.63	9,319.90
	9,988.63	9,319.90



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**
**(Amount in Rs. Lacs )**

Particulars	As at March 31, 2014	As at March 31, 2013
<b>6. LONG-TERM PROVISIONS</b>		
Provision for Employee Benefits*	10.78	6.24
*Includes provision for gratuity and other retirement benefits		
	<u>10.78</u>	<u>6.24</u>
<b>7. SHORT-TERM BORROWINGS</b>		
<b>Secured</b>		
From bank	562.02	129.58
From Financial Institution	2,000.00	2,000.00
<b>Unsecured, repayable on demand</b>		
Loans and advances from related parties	11,354.83	8,899.37
Loans and advances from others	2,853.26	2,039.81
	<u>16,770.11</u>	<u>13,068.75</u>
<b>Secured</b>		
<b>a) Cash Credit from bank:</b>		
Secured by first and pari-passu hypothecation charge of all existing and future current assets including receivables of the borrower and personal guarantee of shareholder		
<b>b) Inter Corporate Deposit:</b>		
Secured by hypothecation of movable assets of the company, both present and future and personal guarantee of promoter shareholder (Rate of interest between 13.60% to 14.75% p.a.)		
<b>Unsecured</b>		
<b>a) Loans and advances from related parties:</b>		
Includes interest free loan Rs. 581,785,526 (2013: Rs. 11,636,525)		
<b>b) Loans and advances from others:</b>		
Includes interest free loan Rs. 281,539,370 (2013: Rs. 531,394,216) (Rate of interest between 8% to 16.50% p.a.)		
<b>8. TRADE PAYABLES</b>		
Trade Payables (Refer Note No. 35)	3,116.81	2,743.70
	<u>3,116.81</u>	<u>2,743.70</u>
<b>9. OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long-Term Borrowings	11,265.83	11,500.00
Advance received from customers	108.00	108.00
Rental Deposits	-	445.22
Others*	1,071.74	1,059.11
	<u>12,445.58</u>	<u>13,112.33</u>
* primarily includes statutory dues and payable for expenses		
<b>10. SHORT-TERM PROVISIONS</b>		
<b>Provision for Employee Benefits*</b>	2.16	1.24
*Includes provision for gratuity and other retirement benefits		
	<u>2.16</u>	<u>1.24</u>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

## 11. FIXED ASSETS

(Amount in Rs. Lacs)

Particulars	Gross Block				Depreciation				Net Block			
	As at April 1, 2013	Additions	Deductions	Reclassified as held for sale	As at March 31, 2014	Upto April 1, 2013	Addition as per scheme of arrangement	For the Year	Adjustment on disposal/ reclassification	Upto March 31, 2014	As at March 31, 2014	As at March 31, 2013
<b>Tangible Fixed Assets</b>												
Freehold Land	69.94	-	-	-	69.94	-	-	-	-	-	69.94	69.94
Leasehold Improvement	145.33	-	-	-	145.33	22.15	-	2.37	-	24.52	120.81	123.18
Air Conditioner	15.87	-	-	-	15.87	4.89	-	0.75	-	5.64	10.23	10.98
Computers and Software	43.13	2.01	0.26	-	44.88	29.28	-	7.05	0.10	36.23	8.65	13.85
Furniture and Fittings	131.16	-	-	-	131.16	38.09	-	8.30	-	46.40	84.77	93.07
Office and Other Equipment	6.40	0.52	-	-	6.92	0.82	-	0.32	-	1.14	5.78	5.58
Plant and Machinery	86.04	-	-	-	86.04	24.32	-	4.09	-	28.41	57.63	61.71
Vehicles	4.19	-	-	-	4.19	4.04	-	0.15	-	4.19	-	0.15
<b>Total A</b>	<b>502.05</b>	<b>2.53</b>	<b>0.26</b>	<b>-</b>	<b>504.32</b>	<b>123.60</b>	<b>-</b>	<b>23.03</b>	<b>0.10</b>	<b>146.53</b>	<b>357.79</b>	<b>378.46</b>
<b>Under Operating Lease</b>												
Building	12,009.18	-	-	-	12,009.18	1,308.75	-	195.75	-	1,504.50	10,504.67	10,700.42
Leasehold improvement	6,621.37	4.06	-	-	6,625.43	777.63	-	644.47	-	1,422.10	5,203.32	5,843.74
Air Conditioner	3,070.29	48.90	-	-	3,119.19	398.60	-	146.04	-	544.64	2,574.55	2,671.68
Computers and Software	126.15	-	-	-	126.15	76.19	-	20.45	-	96.64	29.51	49.96
Furniture and Fittings	6,459.74	5.53	-	-	6,465.27	721.78	-	408.94	-	1,130.72	5,334.55	5,737.96
Office and Other Equipment	303.65	1.22	-	-	304.87	26.58	-	14.43	-	41.01	263.86	277.07
Plant and Machinery	6,260.60	6.76	-	-	6,267.36	511.71	-	297.41	-	809.11	5,458.25	5,748.89
<b>TOTAL B</b>	<b>34,850.97</b>	<b>66.47</b>	<b>-</b>	<b>-</b>	<b>34,917.44</b>	<b>3,821.25</b>	<b>-</b>	<b>1,727.48</b>	<b>-</b>	<b>5,548.73</b>	<b>29,368.71</b>	<b>31,029.72</b>
<b>Grand Total</b>	<b>35,353.02</b>	<b>69.00</b>	<b>0.26</b>	<b>-</b>	<b>35,421.76</b>	<b>3,944.84</b>	<b>-</b>	<b>1,750.52</b>	<b>0.10</b>	<b>5,695.26</b>	<b>29,726.50</b>	<b>31,408.18</b>
<b>Previous Year</b>	<b>415.28</b>	<b>36,357.87</b>	<b>18.29</b>	<b>1,401.84</b>	<b>35,353.02</b>	<b>98.36</b>	<b>2,264.83</b>	<b>1,674.83</b>	<b>93.17</b>	<b>3,944.84</b>	<b>31,408.18</b>	<b>-</b>
<b>Assets held for sale</b>											<b>953.24</b>	<b>1,309.39</b>
											<b>30,679.74</b>	<b>32,717.57</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**
**(Amount in Rs. Lacs)**

Particulars	As at March 31, 2014	As at March 31, 2013
<b>12. NON-CURRENT INVESTMENTS</b>		
<b>Trade Investments (Valued at cost unless stated otherwise)</b>		
<b>Unquoted</b>		
<b>Investments in Equity Shares of</b>		
<b>Subsidiary Companies</b>		
<b>Equity Shares of Rs.10/- each fully paid up</b>		
10,000 Equity Shares of Precision Realty Developers Private Limited	1.00	1.00
10,000 Equity Shares of Acute Realty Private Limited	531.52	531.52
10,000 Equity Shares of F R Retail Destination Private Limited (Formerly Known as Kshitij Retail Destination Private Limited)	273.34	273.34
1,136,600 Equity Shares of Sun City Properties Private Limited	1,295.52	1,295.52
100,000 Equity Shares of Aashirwad Malls Private Limited	567.58	567.58
10,000 (2013: Nil) Equity Shares of Navika Developers Private Limited	1.00	-
10,000 Equity Shares of Nishta Mall Management Company Private Limited	230.08	230.08
10,000 Equity Shares of Niyman Mall Management Company Private Limited	782.58	782.58
10,000 Equity Shares of Ojas Mall Management Private Limited	1.00	1.00
10,000 Equity Shares of Shreya Mall Management Private Limited	1.00	1.00
10,000 Equity Shares of Unique Malls Private Limited	233.34	233.34
10,000 Equity Shares of Ujjain Future Bazaar Private Limited (Formerly Known as Aabha Hotels Private Limited)	9.00	9.00
10,000 Equity Shares of Harmony Malls Management Private Limited	1.00	1.00
15,000 Equity Share of Star Shopping Centres Private Limited	1.50	1.50
614,161 Equity Shares of Future Trade Markets Private Limited	3,866.00	3,866.00
844,856 Equity Shares of Suhani Mall Management Company Private Limited	2,020.54	2,020.54
<b>Joint Ventures</b>		
<b>Equity Shares of Rs.10/- each fully paid up</b>		
5,000 Equity Shares of Riddhi Siddhi Mall Management Private Limited	63.87	63.87
Nil (2013: 2,400) Equity Shares of Vishnu Mall Management Private Limited	-	0.24
15,000,000 Equity Shares of Future Retail Destination Limited	1,500.00	1,500.00
25,000 Equity Shares of Utility Developers Private Limited	2.50	2.50
<b>Associate</b>		
<b>Equity Shares of Rs.10/- each fully paid up</b>		
65,000 Equity Shares of Riverbank Developers Private Limited	5,621.05	5,621.05
<b>Others</b>		
<b>Equity Shares of Rs.10/- each fully paid up</b>		
165,000 Equity Shares of Calcutta Metropolitan Group Limited	2,224.99	2,224.99
11,425 Equity Shares of V.R.Procurement Corporation Private Limited	228.50	-
<b>Investments in Preference Shares of</b>		
<b>Joint Ventures</b>		
Nil (2013: 10,00,000) Compulsorily Convertible Preference Shares of Vishnu Mall Management Private Limited of Rs 10/- each fully paid up	-	100.00
257 (2013: 205) 0.01% Non Cumulative Optionally Convertible Preference Shares of Riddhi Siddhi Mall Management Private Limited of Rs. 1,000/- each fully paid up.	931.64	411.64
<b>Others</b>		
Nil (2013: 1,000,000) 0.01% Non Cumulative Optionally Convertible Preference Shares of Bansi Mall Management Company Private Limited of Rs 10/-each fully paid up	-	2,000.00
<b>Aggregate cost of unquoted investments</b>	<b>20,388.56</b>	<b>21,739.30</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Rs. Lacs )

Particulars	As at March 31, 2014	As at March 31, 2013
<b>13. LONG-TERM LOANS AND ADVANCES</b>		
<b>(Unsecured, Considered Good)</b>		
Capital Advances	23.94	12.64
<b>Security Deposits to</b>		
Related parties	-	1,200.00
Others	9,497.55	10,549.21
<b>Other Loans and Advances</b>		
Other Loans and Advances to		
Related parties*	4,866.58	247.75
Others	3,616.26	3,949.33
Deduction of Income Taxes (Net of Provision)	1,396.76	1,439.09
Statutory Dues Receivable	715.22	797.57
	<u>20,116.31</u>	<u>18,195.60</u>
*Includes share application money Rs. 3,600 Lacs (2013: NIL)		
<b>14. CURRENT INVESTMENTS</b>		
<b>Trade Investment in Mutual Fund - Unquoted</b>		
LIC Nomura MF Liquid Fund - Growth	-	1.06
Aggregate cost of unquoted investments	-	1.06
<b>15. TRADE RECEIVABLES</b>		
<b>(Unsecured)</b>		
Outstanding for a period exceeding six months		
Considered Doubtful	351.02	291.25
Considered Good	3,106.22	3,465.05
Less: Provision for Doubtful Debts	351.02	291.25
	<u>3,106.22</u>	<u>3,465.05</u>
Other debts	1,112.96	1,311.55
	<u>4,219.18</u>	<u>4,776.60</u>
<b>16. CASH AND BANK BALANCES</b>		
Cash and cash equivalents		
Cash on Hand	3.32	1.31
Balance with Banks		
in current accounts*	815.22	61.14
Other bank balances		
Short term bank deposits with original maturity more than three months(Under Lien)	6.50	5.00
	<u>825.04</u>	<u>67.45</u>
*Includes under lien Rs. 3.89 lacs (2013: Nil)		
<b>17. SHORT-TERM LOANS AND ADVANCES</b>		
<b>(Unsecured, considered good)</b>		
<b>Loans and Advances to:</b>		
Related Parties	10,748.83	6,924.14
(Repayable on demand carrying interest rate 8%-15%. includes interest free loans/advances Rs. 4,835.32 lacs (2013: Rs. 1,238.20 lacs)		
Others (Rate of interest is 14.75%)	1,378.48	3,173.20
Deposits	75.44	91.16
Other Loans and Advances*	702.65	1,238.06
	<u>12,905.40</u>	<u>11,426.55</u>
* primarily includes Share Application money, Other Advances, Statutory dues recoverable etc.		

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**
**(Amount in Rs. Lacs)**

Particulars	Year Ended 31st March, 2014	Year Ended 31st March, 2013
<b>18. REVENUE FROM OPERATIONS</b>		
Rent and other related revenues	6,702.12	8,805.84
Project Management Consultancy	206.38	211.34
Other Operating Revenues	800.80	1,936.05
	<u>7,709.29</u>	<u>10,953.22</u>
<b>19. OTHER INCOME</b>		
<b>Interest Income</b>		
On Fixed Deposit	0.91	0.46
Others	487.56	1,399.86
Miscellaneous Income	5.01	39.12
Net Gain on sale of Current Investments	0.05	1.06
Excess Provision Written Back	5.96	37.97
	<u>499.50</u>	<u>1,478.47</u>
<b>20. OPERATING COST</b>		
Mall Maintenance Charges	136.49	450.87
Rent including lease rentals	6,231.35	6,319.35
	<u>6,367.84</u>	<u>6,770.22</u>
<b>21. EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Wages and Bonus	247.62	422.07
Contribution to Provident and Other Funds	7.03	16.32
Employees stock option scheme	21.89	-
Staff Welfare Expenses	4.19	20.28
	<u>280.73</u>	<u>458.67</u>
<b>22. FINANCE COSTS</b>		
Interest Expenses	5,041.95	5,631.46
Other Borrowing costs	128.34	-
	<u>5,170.29</u>	<u>5,631.46</u>
<b>23. OTHER EXPENSES</b>		
Electricity Charges	454.14	659.35
Repairs and Maintenance - Others	125.80	142.06
<b>Auditors' Remuneration</b>		
Statutory Audit Fees	5.55	4.50
Tax Audit Fees	0.50	0.50
Other Services	1.15	1.15
Rates and Taxes	178.30	494.20
Insurance	13.89	12.67
Legal and Professional Fees	69.71	188.45
Director Sitting Fees	5.40	5.20
Excess Provision Written off	-	484.19
Exchange Fluctuation Loss	167.95	-
Bad Debts	-	512.77
Provision for Doubtful Debts	59.77	234.98
Other Expenses	138.21	314.84
Loss on sale/discard of Fixed Assets	2.00	17.57
	<u>1,222.39</u>	<u>3,072.43</u>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**

24. Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 37.20 Lacs (2013: Rs. 1.36 Lacs).

25. **Contingent Liabilities not provided for:**

(a) Corporate Guarantee given to bank on behalf of Companies - Rs. 49,950 Lacs (2013: Rs.Nil)

(b) Income tax demand – Rs. 40.02 Lacs (2013: Rs. 23.66 Lacs)

Based on the decisions of Appellate authorities and the interpretation of other relevant provisions, the Company has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.

26. Disclosures requires by Accounting Standard 15 “Employee benefits”

A. **Change in Present Value of Obligation**

(Figures In Rs. Lacs)

Particulars	Gratuity	Leave Encashment
	(Unfunded)	(Unfunded)
Present Value of the Obligation as on April 1, 2013	4.20	3.28
	(9.88)	(7.79)
Interest Cost	0.34	0.26
	(0.79)	(0.62)
Current Service Cost	1.99	1.30
	(1.17)	(0.81)
Benefits Paid	1.54	1.60
	(1.03)	(5.02)
	2.18	2.54
Actuarial (gain)/ loss on obligations	((6.61))	((0.92))
<b>Present Value of the Obligation as on March 31, 2014</b>	<b>7.16</b>	<b>5.77</b>
	(4.20)	(3.28)

B. **Amount recognized in the Balance Sheet**

(Figures in Rs. Lacs)

Particulars	Gratuity	Leave Encashment
	(Unfunded)	
Present Value of the Obligation as on March 31, 2013	7.16	5.77
	(4.20)	(3.28)
Fair value of plan assets	NIL	NIL
	(NIL)	(NIL)
Un-funded Liability	7.16	5.77
	(4.20)	(3.28)
Unrecognized actuarial gains/ losses	NIL	NIL
	(NIL)	(NIL)
	7.16	5.77
<b>Un-funded liability recognized in Balance Sheet</b>	<b>(4.20)</b>	<b>(3.28)</b>



**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**
**C. Expense recognized in the Statement of Profit and Loss**
**(Figures in Rs. Lacs)**

Particulars	Gratuity	Leave Encashment
	(Unfunded)	(Unfunded)
Interest Cost	0.34	0.26
	(0.79)	(0.62)
Current Service Cost	1.99	1.30
	(1.17)	(0.81)
Expected Return on Plan Assets	NIL	NIL
	(NIL)	(NIL)
Actuarial (gain)/loss on obligations	2.18	2.54
	(6.61)	(0.92)
<b>Total expense recognized in the Statement of Profit and Loss</b>	<b>4.50</b>	<b>4.10</b>
	<b>(4.66)</b>	<b>(0.51)</b>

**D. Reconciliation of Balance Sheet**
**(Figures in Rs. Lacs)**

Particulars	Gratuity (Unfunded)	Leave Encashment (Unfunded)
Liability of transferred employees under scheme of amalgamation	NIL	NIL
	(NIL)	(NIL)
Total expense recognized in the Statement of Profit and Loss	4.50	4.10
Account	(6.61)	(0.92)
Benefits paid during the year	1.54	1.60
	(1.03)	(5.02)
<b>Present Value of the Obligation as on March 31</b>	<b>7.16</b>	<b>5.77</b>
	<b>(4.20)</b>	<b>(3.28)</b>

**E. The assumptions used to determine the benefit obligations are as follows :**

Particulars	Gratuity	Leave Encashment
Discount Rate	8%	8%
Expected Rate of increase in compensation levels	5%	5%

The estimate of rate of escalation in salary considered in actuarial valuation takes into account inflation, seniority, promotions and other relevant factors including supply and demand in the employment market. The above Information is certified by the actuary.

Since the Company has not funded its gratuity and leave encashment liability, there are no returns on the planned assets and hence the details related to changes in fair value of assets have not been given.

Figures in brackets pertain to previous year.

27. In respect of operating lease taken by the company, the future minimum lease rental obligation under non – cancellable operating leases in respect of these assets is Rs. 18,774.25 Lacs (2013 : Rs. 26,187.69 Lacs).

**(Amount in Rs. Lacs)**

	Particulars	Year ended March 31, 2014	Year ended March 31, 2013
i)	Lease rentals recognized in Statement of Profit and Loss	6,231.35	6,311.59
ii)	Lease rentals payable not later than one year	3,444.82	4,163.64
iii)	Lease rentals payable later than one year and not later than five years	12,718.89	17,746.94
iv)	Lease rentals payable later than five years	2,610.54	4,277.12

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**

28. In respect of operating lease given by the company, the future minimum lease rental receivable under non – cancellable operating leases are as follows:

**(Amount in Rs. Lacs)**

	<b>Particulars</b>	<b>2013-14</b>	<b>2012-13</b>
i)	Gross block of assets let out on operating lease	34,917.44	22,841.80
ii)	Accumulated depreciation as at March 31	5,548.73	1,148.03
iii)	Depreciation charged during the year to the Statement of Profit and Loss	1,727.48	1,457.63
iv)	Lease rentals recognised in Statement of Profit and Loss	6,245.13	7,246.03
v)	Lease rentals receivable not later than one year	1,585.44	1,189.85
vi)	Lease rentals receivable later than one year and not later than five years	2,517.40	857.33
vii)	Lease rentals receivable later than five years	334.68	-

29. The Company is primarily engaged in the activity of mall management business and considers it to be a single reportable business segment in terms of Accounting Standard 17 "Segment Reporting". The operations of the Company are within the geographical territory of India which is considered as a single geographical segment.

30. **Related Party Disclosure:**

**The management has identified the following entities and individuals as related parties for the purposes of reporting under Accounting Standard 18:**

<b>Name of Related Parties</b>	<b>Relationship</b>
Aashirwad Malls Private Limited	Subsidiaries
Acute Realty Private Limited	
Future Trade Markets Private Limited	
Harmony Malls Management Private Limited	
F R Retail Destination Private Limited (formerly known as Kshitij Retail Destination Private Limited)	
Nishta Mall Management Company Private Limited	
Niyman Mall Management Company Private Limited	
Ojas Mall Management Private Limited	
Precision Realty Developers Private Limited	
Shreya Mall Management Private Limited	
Star Shopping Centres Private Limited	
Suhani Mall Management Company Private Limited	
Sun City Properties Private Limited	
Ujjain Future Bazaar Private Limited (formerly Known as Aabha Hotels Private Limited )	
Unique Malls Private Limited	
Navika Developers Private Limited (w.e.f. December 11, 2013)	Joint Ventures
Anchor Residency Private Limited (w.e.f. December 15, 2013)*	
Vishnu Mall Management Private Limited (w.e.f. December 15, 2013)*	
Future Retail Destination Limited	
Riddhi Siddhi Mall Management Private Limited	
Utility Developers Private Limited	Associate Investing Party
Vishnu Mall Management Private Limited (till December 15, 2013)	
Riverbank Developers Private Limited	
Future Corporate Resources Limited	

\*(Subsidiaries of Ojas Mall Management Private Limited)

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**

Nature of Transactions	Subsidiaries	Joint Ventures	Associate	Company Where Directors are interested	Investing Party	KMP & Relative OF KMP
Rental and other related revenue	- (-)	- (-)	- (-)	- (-)	- (88.76)	- (-)
Interest Income	413.72 (669.25)	10.12 (199.07)	- (-)	- (-)	- (-)	- (-)
Project Management Revenue	56.21 (110.73)	43.77 (50.59)	- (22.50)	- (-)	- (-)	- (-)
Interest Expense	464.70 (39.32)	96.25 (111.73)	- (-)	- (0.19)	- (-)	- (-)
Management Consultancy expenses	- (90.00)	- (-)	- (-)	- (-)	- (90.00)	- (-)
Reimbursement of Expenses	- (0.99)	- (0.65)	- (-)	- (-)	- (-)	- (-)
Investment in shares	439.49 -	232.69 (1,909.00)	- (-)	- (-)	- (-)	- (-)
Share application money	3,600.00 -	- (-)	- (-)	- (-)	- (-)	- (-)
Loans given and received back (net)	5,995.17 (2,690.38)	9.99 (4,435.31)	- (-)	- (-)	- (360.00)	- (-)
Loans taken and repaid back (net)	4,017.82 (1,045.07)	887.50 (3,797.49)	- -	- (6.27)	1,250.00 (2,250.00)	- -
Deposits received	- (600.00)	1,256.25 (-)	- (-)	- (-)	- (-)	- (-)
Managerial Remuneration	- (-)	- (-)	- (-)	- (-)	- (-)	- (104.5)
Car Lease Rental Expenses	- (-)	- (-)	- (-)	- (-)	- (-)	- (2.52)

**Outstanding Balance as at March 31,**

Balance – Receivable	11,944.37 (8,040.87)	139.86 (366.51)	2.07 (25.28)	- (-)	- (-)	- (-)
Balance – Payable	5,440.23 (1,364.80)	1,470.86 (3,784.52)	- (-)	- (0.05)	5,015.19 (3,750.05)	- (-)

Note : Figures in italic represents previous year's Figures.

**Disclosure in respect of Material related party transactions during the year:**

- Interest income includes Ojas Mall Management Private Limited Rs.194.71 Lacs (2013: Rs. 504.25 Lacs), Harmony Mall Management Private Limited Rs. 88.19 Lacs (2013: Rs. 76.81 Lacs), Nishita Mall Management Company Private Limited Rs. 91.10 Lacs. (2013: Rs.NIL), Future Retail Destination Limited Rs. 10.12 Lacs (2013: Rs. 74.96 Lacs).
- Project Management Revenue includes Aashirwad Malls Private Limited Rs. 49.00 Lacs (2013: Rs. 78.00 Lacs), Future Trade Markets Private Limited Rs. 5.79 Lacs (2013: Rs. 32.73 Lacs), and Future Retail Destination Limited Rs. 40.17 Lacs (2013: Rs. 50.59 Lacs).
- Interest expense includes Riddhi Siddhi Mall Management Private Limited Rs. 96.25 Lacs (2013: Rs.NIL) Vishnu Mall Management Private Limited. Rs. 393.89 Lacs (2013: Rs. 105.23 Lacs).

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**

4. Share application money includes Acute Realty Private Limited Rs. 3,600.00Lacs (2013: Rs. Nil).
5. Investment in shares includes Riddhi Siddhi Mall Management Private Limited Rs. 232.69 Lacs (2013: Rs. 410 Lacs).
6. Loan Given and received back includes Unique Malls Private Limited Rs. 2,997.73 Lacs (2013: Rs. NIL), Niyman Mall Management Company Private Limited Rs.1034.65 Lacs (2013: Rs. NIL) and Nishta Mall Management Company Private Limited Rs. 802.25 Lacs (2013: Rs. NIL) and Future Retail Destination Limited Rs. 9.99 Lacs (2013 : Rs. 1,467.93 Lacs).
7. Loan Taken and repaid back includes Precision Reality Developers Private Limited Rs. Nil (2013: Rs. 263.92 Lacs), Riddhi Siddhi Mall Management Private Limited Rs. 887.50 Lacs (2013: Rs. 1,000 Lacs), Suhani Mall Management Company Private Limited Rs. 759.15 Lacs (2013: Rs. 700 Lacs), Vishnu Mall Management Private Limited Rs. 529.15 (2013: Rs. 2,797.49 Lacs), Future Corporate Resources Limited Rs. 1,250 Lacs (2013: Rs. NIL), and Ojas Mall Management Private Limited Rs. 2,520.22 Lacs (2013: Rs. Nil).
8. Deposit Received includes Riddhi Siddhi Mall Management Private Limited Rs. 1,256.25Lacs (2013: Rs.Nil).
31. Interest in Joint Ventures:

S. No.	Name of the Company	Description of interest	Country of Incorporation	Percentage of Interest as on	Percentage of Interest as on
				March 31, 2014	March 31, 2013
1	Future Retail Destination Limited	Equity	India	50.00%	50.00%
2	Riddhi Siddhi Mall Management Private Limited	Equity	India	50.00%	50.00%
3	Utility Developers Private Limited	Equity	India	50.00%	50.00%
4	Vishnu Mall Management Private Limited (till December 15, 2013)	Equity	India	-	24.00%

32. The Company's share in the assets, liabilities, income and expenses (each without elimination of inter-company transactions) related to its interest in joint ventures are: **(Amount in Rs. Lacs)**

Sr. No.	Name of the Company	As on March 31, 2014	Assets	Liabilities	Income	Expenditure
1	Future Retail Destination Limited	50.00%	1,580.21	1,580.21	-	1.32
2	Riddhi Siddhi Mall Management Private Limited	50.00%	4,268.54	4,268.54	204.85	265.75
3	Utility Developers Private Limited	50.00%	117.14	117.14	-	0.18

33. **Earnings Per Share:**

**(Amount in Rs. Lacs)**

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Profit/(Loss) after tax	(6,582.98)	(3,499.10)
Nominal Value of Ordinary Shares (Rupees)	10	10
Weighted average number of Equity Shares for calculating Basic and Diluted EPS	55,854,976	55,854,976
Earnings Per Share (Basic and Diluted) (Rupees)	(11.79)	(6.26)

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**
**34. Deferred Tax Asset**

Disclosure as required under Accounting Standard 22 on 'Accounting for Taxes on Income'

(Amount in Rs. Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Deferred Tax Liability</b>		
Related to Fixed Assets	3,235.54	1,120.14
<b>Total</b>	<b>3,235.54</b>	<b>1,120.14</b>
<b>Deferred Tax Asset</b>		
Disallowance under Income Tax Act / Unabsorbed Depreciation / Unabsorbed losses*	3,235.54	1,120.14
<b>Total</b>	<b>3,235.54</b>	<b>1,120.14</b>
<b>Net Deferred Tax (Liability)</b>	<b>Nil</b>	<b>Nil</b>

\*In the absence of virtual certainty to generate future taxable income against which deferred tax assets can be realized, deferred tax assets on unabsorbed depreciation and losses are recognized only to the extent of deferred tax liabilities.

**35. Expenditure in Foreign Currency:**

(Amount in Rs. Lacs)

Nature of Expenses	Year ended March 31, 2014	Year ended March 31, 2013
Consulting and Designing	-	11.35

**36. Disclosures as per Clause 32 of the Listing Agreement**

(Amount in Rs. Lacs)

Sr No	Name of Companies	Outstanding Balance		Maximum Balance outstanding during the year	
		As at March 31, 2014	As at March 31, 2013	Year ended March 31, 2014	Year ended March 31, 2013
1	F R Retail Destination Private Limited (formerly known as Kshitij Retail Destination Pvt.Ltd.)	173.44	328.16	2,396.93	422.08
2	Riddhi Siddhi Mall Management Private Limited.	8.24	295.55	357.18	513.44
3	Precision Realty Developers Private Limited	2,040.10	614.48	4,243.90	4,842.67
4	Acute Realty Private Limited	-	19.44	19.44	62.19
5	Suhani Mall Management Company Private Limited.	-	142.47	142.47	142.47
6	Harmony Malls Management Private Limited	686.23	597.79	686.23	597.79
7	Nishta Mall Management Company Private Limited.	1,197.09	303.74	1,198.71	343.33
8	Suncity Properties Private Limited	113.08	98.54	113.08	9.85
9	Unique Malls Private Limited	2,088.80	83.05	3,093.05	99.74
10	Ojas Mall Management Private Limited	3,244.45	4,369.96	5,569.96	6,297.80
11	Vishnu Mall Management Private Limited	-	-	-	2,946.79
12	Future Retail Destination Limited	91.07	70.96	91.07	1,591.41
13	Future Trade Markets Private Limited	10.28	-	10.28	-
14	Navika Developers Private Limited	20.80	-	28.50	-
15	Niyman Mall Management Co Pvt Ltd	502.71	-	502.71	-
16	Ujjain Future Bazar Private Limited	572.55	-	572.55	-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

37. Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the company. There are no overdue principal amounts/ interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

38. **Employee Stock Option Scheme**

Future Market Networks Limited (FMNL) has granted options to eligible employees in 2012 under FMNL-Employee Stock Option Scheme 2012 ("ESOS 2012").

The Employee Stock Options of the Company has been adjusted for the corporate actions on Value for Value exchange and hence there is no incremental benefit to the option grantee and also it does not result in change in aggregate Fair Value of the Options.

A. Summary of Status of ESOPs Granted

The position of the existing scheme is summarized as under –

Sr. No.	Particulars	Details
1	Number of Options approved	558,000
2	Pricing Formula	Rs.12/-
3	Options Granted	5,06,000
4	Options Exercised	-
5	Options Cancelled	17,000
6	Options Lapsed	-
7	Total Number of Options in Force	4,89,000
8	Variation in Terms of ESOP	Not Applicable

B. Weighted Average Fair Value of Options Granted During the Year Whose

(a)	Exercise Price Equals Market Price	-
(b)	Exercise Price is Greater than Market Price	-
(c)	Exercise Price is Less than Market Price	12.00

- C. The stock-based compensation cost calculated as per the intrinsic value method for the financial year 2012-13 is Rs. 85.50 Lacs. If the stock-based compensation cost was calculated as per the fair value method, the total cost to be recognised in the financial statements for the year 2012-13 would be Rs. 121.18 Lacs. The effect of adopting the fair value method on the net income and earnings per share is presented below:

Pro Forma Adjusted Net Income and Earning Per Share

Particulars	Units	2013-14
Net Income as Reported	Rs. In Lacs	(6,582.98)
Add: Intrinsic Value Compensation Cost	Rs. In Lacs	20.65
Less: Fair Value Compensation Cost	Rs. In Lacs	21.89
Adjusted Pro Forma Net Income	Rs. In Lacs	(6,584.22)
Earning Per Equity Share: Basic		
As Reported	Rs.	(11.79)
Adjusted Pro Forma	Rs.	(11.79)
Earning Per Equity Share: Diluted		
As Reported	Rs.	(11.79)
Adjusted Pro Forma	Rs.	(11.79)



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

### D. Method and Assumptions Used to Estimate the Fair Value of Options Granted During the Year:

1. Risk Free Interest Rate	7.88%
2. Expected Life in years	2.50
3. Expected Volatility	60.71%
4. Dividend Yield	0.00%
5. Price of the Underlying Share in Market at the Time of the Option Grant (Rs.)	23.95

### 39. Previous Year Comparatives:

Previous Year figures have been regrouped, recast and reclassified where ever necessary to confirm to current year's presentation.

#### As per our Report of even date attached

**For NGS & Co. LLP**

Chartered Accountants

**Ganesh Toshniwal**

Partner

**Membership No. 046669**

Mumbai

May 28, 2014

#### For and on behalf of the Board of Directors

**Ameet Naik**

Chairman

**Sunil Biyani**

Managing Director

**Vijai Singh Dugar**

Director

**Pawan Agarwal**

Chief Financial Officer

**Anil Cherian**

Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Rs. Lacs)

Particulars		March 31, 2014	March 31, 2013
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>			
Net Profit/(Loss) Before Tax		(6,582.98)	(3,995.61)
<b>Adjustments to reconcile profit before tax to net cash flows</b>			
Depreciation		1,750.52	1,674.83
Interest Income		(488.47)	(1,399.40)
Interest Expenses		5,041.95	5,631.46
Provision for doubtful debts		59.77	234.98
Bad Debts		-	512.77
Profit on sale of Investment		(0.05)	(1.06)
Loss on sale of Fixed Assets		2.00	17.57
Excess Provision Written back		(5.96)	(37.97)
On account of Employees Stock Option Scheme		21.89	-
On account of Scheme of Arrangement		-	(4,636.65)
		<u>6,381.64</u>	<u>1,996.52</u>
<b>Operating Profit before Working Capital changes</b>		<b>(201.33)</b>	<b>(1,999.09)</b>
<b>Movement in working capital</b>			
(Increase)/Decrease in Trade and other Receivables		497.65	1,226.02
(Increase)/Decrease in Loans and Advances		(9,404.72)	17,771.05
Increase/(Decrease) in Trade Payables, Other Liabilities and Provisions		386.50	(3,419.65)
		<u>(8,520.57)</u>	<u>15,577.42</u>
<b>Cash generated from/(used) in operations</b>		<b>(8,721.90)</b>	<b>13,578.33</b>
Direct taxes Paid		-	-
<b>Net Cash flow from/(used) in Operating Activities</b>	<b>A</b>	<b>(8,721.90)</b>	<b>13,578.33</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>			
Sale of Fixed Assets		354.31	-
Purchase of Fixed Assets		(69.00)	(457.88)
Sale of Investments		2,101.35	250.00
Purchase of Investments		(749.50)	(2,161.50)
Loan and Advances		6,005.16	7,125.69
Interest Income Received		488.47	1,399.40
<b>Net Cash flow from/(used) in Investing activities</b>	<b>B</b>	<b>8,130.79</b>	<b>6,155.71</b>
<b>CASH FROM FINANCING ACTIVITIES:</b>			
Interest Expenses		(5,041.95)	(5,631.46)
Net Proceeds of Short Term Borrowings		3,701.36	(4,845.24)
Net Proceeds of Long Term Borrowings		2,689.28	(9,250.00)
<b>Net Cash flow from/(used) in Financing activities</b>	<b>C</b>	<b>1,348.69</b>	<b>(19,726.70)</b>
<b>Net increase (+) / decrease (-) in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>757.58</b>	<b>7.34</b>
Cash and Cash Equivalents at the beginning of the year		67.45	60.11
<b>Cash and Cash Equivalents at the end of the year</b>		<b>825.04</b>	<b>67.45</b>

As per our Report of even date attached  
For NGS & Co. LLP  
Chartered Accountants

For and on behalf of the Board of Directors

Ganesh Toshniwal  
Partner  
Membership No. 046669

Ameet Naik  
Chairman

Sunil Biyani  
Managing Director

Vijai Singh Dugar  
Director

Mumbai  
May 28, 2014

Pawan Agarwal  
Chief Financial Officer

Anil Cherian  
Company Secretary

# **Consolidated Financial Statements and Notes**

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
**Future Market Networks Limited**

We have audited the accompanying consolidated financial statements of **Future Market Networks Limited** ("the Company") and its subsidiaries, joint ventures and associates which comprise the consolidated Balance Sheet as at March 31, 2014, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India; this includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, joint ventures and associates as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the consolidated Profit and Loss Account, of the loss for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

### Other Matters

We did not audit the financial statements of certain subsidiaries and joint ventures whose financial statements reflect total assets (net) of Rs. 99,390.01 lacs as at March 31, 2014, total revenues of Rs. 8,493.53 lacs and net cash outflows amounting to Rs. (1,818.77) lacs for the year then ended. These financial statements and the other financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated statements to the extent they have been derived from such financial statements is based solely on the reports of the other auditors.

We did not audit the financial statements of associates whose financial statements reflect the Group's share of loss of Rs. 391.15 lacs for the year then ended. The unaudited financial information has been provided to us by the management, and our opinion on the extent they relate to the associates is based solely on such unaudited financial information furnished to us.

Our opinion is not qualified in respect of these matters.

**For NGS & Co LLP**  
Chartered Accountants  
Firm Registration Number 119850W

**Ganesh Toshniwal**  
Partner  
Membership No. 046669

Mumbai  
May 28, 2014

**Consolidated Balance Sheet as at March 31, 2014**
**(Amount in Rs. Lacs)**

	Note	As at March 31, 2014	As at March 31, 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholder's Funds</b>			
Share Capital	2	5,585.44	5,585.44
Reserves and Surplus	3	17,537.43	25,152.43
Share Application Money Pending allotment		36.78	-
Minority Interest		1,982.72	1,992.57
<b>Non-Current Liabilities</b>			
Long-Term Borrowings	4	84,302.67	41,289.39
Other Long-Term Liabilities	6	13,539.54	12,203.59
Long-Term Provisions	7	10.78	6.24
<b>Current Liabilities</b>			
Short-Term Borrowings	8	26,457.52	22,438.23
Trade Payables	9	5,852.90	3,263.20
Other Current Liabilities	10	14,681.63	14,954.97
Short-Term Provisions	11	61.01	72.28
<b>Total</b>		<b>170,048.41</b>	<b>126,958.33</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
Tangible Assets	12	49,274.65	50,245.09
Capital work-in-progress		10,506.01	6,644.31
Non-Current Investments	13	7,706.05	10,420.99
Long-Term Loans and Advances	14	40,430.50	25,596.79
Deferred Tax Assets (Net)	5	90.26	16.43
Goodwill on consolidation (Refer Note No. 38)		16,332.10	5,358.61
<b>Current Assets</b>			
Current Investments	15	-	1.06
Inventories	16	4,065.74	3,477.41
Trade Receivables	17	9,515.57	8,963.18
Cash and Bank Balances	18	1,153.35	2,133.96
Short-Term Loans and Advances	19	30,972.02	14,084.92
Other Current Assets	20	2.17	15.58
<b>Total</b>		<b>170,048.41</b>	<b>126,958.33</b>
The notes form an integral part of these financial statements	1 - 41		

**As per our Report of even date attached**
**For NGS & Co. LLP**

Chartered Accountants

**For and on behalf of the Board of Directors**
**Ganesh Toshniwal**

Partner

**Membership No. 046669**
**Ameet Naik**

Chairman

**Sunil Biyani**

Managing Director

**Vijai Singh Dugar**

Director

Mumbai

May 28, 2014

**Pawan Agarwal**

Chief Financial Officer

**Anil Cherian**

Company Secretary

## Consolidated Statement of Profit and Loss for the year ended March 31, 2014

(Amount in Rs. Lacs)

	Note	Year ended March 31, 2014	Year ended March 31, 2013
<b>INCOME:</b>			
Revenue from Operations	21	16,067.72	15,890.86
Other Income	22	651.18	1,928.65
<b>Total Revenue</b>		<b>16,718.90</b>	<b>17,819.51</b>
<b>EXPENSES:</b>			
Purchase		2,300.12	-
Project Cost	23	614.99	1,096.58
Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade	24	(588.32)	(1,066.77)
Cost of Services	25	8,261.45	7,110.82
Employee Benefit Expenses	26	734.70	863.27
Finance Costs	27	7,998.19	8,539.13
Depreciation	12	2,858.38	2,782.70
Other Expenses	28	1,799.23	4,158.60
		<b>23,978.72</b>	<b>23,484.33</b>
<b>Loss before Tax</b>		<b>(7,259.82)</b>	<b>(5,664.83)</b>
<b>Tax Expense</b>			
Current Tax		74.46	118.87
Less: MAT Credit Entitlement		(0.19)	(4.92)
Deferred Tax		(78.49)	(561.50)
<b>Profit (Loss) before Minority interest and Share in Profit/ (Loss) of Associates</b>		<b>(7,255.60)</b>	<b>(5,217.28)</b>
Share in Loss of Associates		(391.15)	(973.81)
<b>Minority Interests</b>		<b>9.85</b>	<b>101.01</b>
<b>Profit/(Loss) for the year</b>		<b>(7,636.90)</b>	<b>(6,090.08)</b>
<b>Earnings Per Equity Share of Face value Rs. 10/- each</b>			
Basic and Diluted		(13.67)	(10.90)
The notes form an integral part of these financial statements	1 - 41		

As per our Report of even date attached

For NGS &amp; Co. LLP

Chartered Accountants

Ganesh Toshniwal

Partner

Membership No. 046669

Mumbai

May 28, 2014

For and on behalf of the Board of Directors

Ameet Naik

Chairman

Pawan Agarwal

Chief Financial Officer

Sunil Biyani

Managing Director

Anil Cherian

Company Secretary

Vijai Singh Dugar

Director



### NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014.

#### 1. Significant accounting policies:

##### 1.1 Principles of Consolidation:

The consolidated financial statements relate to Future Market Networks Limited ('the Company') and its subsidiary companies, associates and joint ventures (collectively referred to as Group). The consolidated financial statements have been prepared on the following basis:

- a) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances, transactions and unrealized profits or losses have been fully eliminated in accordance with Accounting Standard (AS) 21 – “Consolidated Financial Statements”.
- b) Investment in Associate Company has been accounted under the equity method as per Accounting Standard (AS) 23 - “Accounting for Investments in Associates in Consolidated Financial Statements”.
- c) Interest in Joint Ventures has been accounted by using the proportionate consolidation method as per Accounting Standard (AS) 27 – “Financial Reporting of Interest in Joint Ventures”.
- d) The difference between the costs of investments in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries is recognized in the financial statements as Goodwill or Capital Reserve as the case may be.
- e) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- f) Minority Interest's share of net assets of consolidated subsidiaries is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.
- g) The Company accounts for its share in change in net assets of the associates, post acquisition, after eliminating unrealized profits and losses resulting from transactions between the Company and its associate's to the extent of its share, through its Statement of Profit and Loss to the extent such change is attributable to the associate's Profit or Loss through its reserves for the balance, based on available information.
- h) The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.
- i) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- j) The difference between the proceeds from disposal of Investment in subsidiaries and the carrying amount of its assets less liabilities as of the date of disposal is recognized in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.

##### 1.2 Other significant accounting policies

###### a. Basis of preparation:

Financial Statements have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on an accrual basis in compliance with all material aspects of the Accounting Standards (AS) notified under the Companies Act, 1956 (“the Act”) read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 1956 (to the extent applicable) and Companies Act, 2013 (to the extent notified).



**b. Use of Estimates:**

The preparation of financial statements in conformity with Indian GAAP requires that the management to make judgments, estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amount of assets or liabilities in the future periods.

**c. Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured.

- Sales is recognized on transfer of significant risk and rewards of the ownership of the goods to the buyer and stated at net trade discount, rebates, returns, discounts and VAT/ Sales Tax.
- Revenue from services rendered is recognized as the service is performed based on agreements/ arrangement with concerned parties and revenue from end of the last billing to the balance sheet date is recognized as unbilled revenue.
- Lease rentals income is recognized in the Statement of Profit and Loss as per the terms of agreement which is representative of the time pattern of the user's benefit.
- Interest income is recognized on time proportion basis taking into account the amount outstanding and rates applicable. Dividends are recorded when the right to receive payment is established.

**d. Fixed Assets and Depreciation:**

- i. Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such assets up to the date when such assets are ready for their intended use.
- ii. Depreciation on tangible assets is provided on Straight Line Method at the rates prescribed under Schedule XIV to the Companies Act, 1956, except lease hold improvements which are amortized over the period of lease. Fixed Assets, individually costing less than Rs. 5000/- (Rupees Five thousand only) are fully depreciated in the year of purchase. Depreciation on the Fixed Assets added/disposed off/discarded during the year is provided on pro-rata basis with reference to the month of addition/ disposal/discarding.

**e. Inventories:**

Inventories consist of Project Work-in-Progress, are valued at cost. Cost includes direct expenses and indirect expenses including interest expenses on borrowings.

**f. Goodwill on Consolidation:**

Goodwill arising on consolidation/acquisition is tested for impairment on periodic basis and written-off, if found impaired.

**g. Retirement and Other Employee Benefits**

Short term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

Post employment and other long term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year in which the employee has rendered service. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to Statement of Profit and Loss.

h. **Leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Rentals are expensed with reference to lease terms and other considerations.

i. **Impairment of Assets:**

The carrying amount of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss, if any, is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

j. **Investments:**

Current investments are stated at lower of cost and fair value computed on individual investment basis.

Long term investments are stated at cost less provision for other than temporary diminution in value.

k. **Borrowing Cost:**

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of such asset till such time as the asset is ready for its intended use or sale.

All other borrowing costs are recognized as an expense in the period in which they are incurred.

l. **Foreign Currency Transactions:**

Foreign currency transactions are recorded on initial recognition in the reporting currency using the exchange rate at the date of the transaction. At each Balance sheet date, foreign currency monetary items are reported using the closing rate. Exchange differences are recognized as income or expense in the period in which they arise.

m. **Taxation**

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as at the Balance Sheet date. Deferred tax asset is recognized and carried forward only to the extent that there is virtual certainty that the asset will realized in future.

Minimum alternative tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future periods. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

n. **Provisions, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized, but disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

## 2. Share Capital

(Amount in Rs. Lacs)

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Authorized Capital</b>		
90,260,000 (80,210,000) Equity Shares of Rs.10/- each	9,026.00	9,026.00
5,000 Preference Shares of Rs.100/- each	5.00	5.00
	<b>9,031.00</b>	<b>9,031.00</b>
<b>Issued Capital*</b>		
55,854,976 Equity Share of Rs 10/- each	5,585.50	5,585.50
	<b>5,585.50</b>	<b>5,585.50</b>
<b>Subscribed and Paid up</b>		
55,854,406 Equity Share of Rs 10/- each fully paid up	5,585.44	5,585.44
	<b>5,585.44</b>	<b>5,585.44</b>

\* Includes 570 shares in abeyance

## a) Reconciliation of the shares outstanding is set out below:

(Amount in Rs. Lacs)

Particulars	As at March 31, 2014		As at March 31, 2013	
	No. of Shares	Amount	No. of Shares	Amount
<b>Equity Shares of Rs. 10/- each fully paid:</b>				
Opening balance of Equity shares	55,854,406	5,585.44	55,854,406	5,585.44
Shares Issued during the year	-	-	-	-
<b>Closing balance of Equity Shares</b>	<b>55,854,406</b>	<b>5,585.44</b>	<b>55,854,406</b>	<b>5,585.44</b>

## b) Terms/rights attached to equity shares.

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder is eligible to one vote per share.

The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting, except after distribution of all preferential amounts in proportion of their shareholding in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company.

## c) Details of shares held by shareholders holding more than 5% of the aggregate equity shares in the company.

Name of the Shareholder	As at March 31, 2014		As at March 31, 2013	
	No. of Shares	% held	No. of Shares	% held
Manz Retail Private Limited	16,430,824	29.42%	16,430,824	29.42%
Future Corporate Resources Limited	12,676,754	22.70%	12,676,754	22.70%
Future Ideas Realtors India Limited	8,563,367	15.33%	8,563,367	15.33%
Rhamni Projects Private Limited	8,042,291	14.40%	8,042,291	14.40%
Ishbhoomi Mall Management Private Limited	3,127,870	5.60%	3,127,870	5.60%
<b>Total</b>	<b>48,841,106</b>	<b>87.44%</b>	<b>48,841,106</b>	<b>87.44%</b>

## d) Aggregate number and class of shares allotted as fully paid up pursuant to scheme of demerger/ amalgamation without payment being received in cash.

44,683,440 Equity Shares allotted in the last five years pursuant to the various schemes of amalgamation without payments being received in cash.

## e) The company has reserved issuance of 558,000 (2013: 558,000) Equity shares of Rs 10/- each for offering to eligible employees of the company under Employees Stock option Scheme (ESOP). During the year, company has granted Nil (in the previous year 506,000 options were granted) option to eligible employees at exercise price of Rs 12/- per option plus all applicable taxes as may be levied in this regard on company. Out of the options granted, 17,000 options were cancelled due to cessation of employment. The option vest over maximum period of 4 years or such other period as decided by the Nomination and Remuneration committee from date of grant based on specific criteria.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**

**3. Reserves and Surplus (Amount in Rs. Lacs)**

Particulars	As at March 31, 2014	As at March 31, 2013
<b>Capital Reserve</b>		
As per last Balance Sheet	5,956.08	11,013.18
Less: Scheme of Arrangement	-	5,057.11
	5,956.08	5,956.08
<b>Securities Premium</b>	25,241.47	25,241.47
	25,241.47	25,241.47
<b>Share Option Outstanding Account</b>		
Charge for the year	21.89	-
	21.89	-
<b>Statement of Profit and Loss</b>		
Opening Balance	(6,045.12)	44.97
Add: Surplus/(Deficit) for the year	(7,636.90)	(6,090.08)
	(13,682.01)	(6,045.12)
	17,537.43	25,152.43

**4. Long-Term Borrowings (Amount in Rs. Lacs)**

	As at March 31, 2014	As at March 31, 2013
<b>Secured</b>		
Term Loan from Banks	73,250.20	29,800.50
Share in jointly controlled entities	3,046.03	2,644.16
<b>Unsecured</b>		
Loan from Others	8,006.44	8,844.73
	84,302.67	41,289.39

**4.1 Secured Term Loan from Banks:**

- Rs. 9,580.83 lacs (2013: Rs.19,000.28 lacs) secured by specified immovable property, specified immovable property owned by Ishkrupa Mall Management Company Private limited and personal guarantee of some shareholders.
- Rs. Nil (2013: Rs. 8,000.45 lacs) secured by first charge on the specified immovable property , first charge on the current assets/receivables of the company and personal guarantee of some shareholders and corporate guarantee of one subsidiary.
- Term Loan of Rs. 13,500 lacs (2013: Rs. Nil) are secured by (a) Charge on Assets of Rs. 10,500 lacs created out of the proposed Term Loan. First Pari Passu Charge on the movable fixed assets pertaining to the mall management division of the company amounting to Rs. 10,000 lacs (b) Second Pari Passu charge on the immovable property owned by M/s Banshi Mall Management Company Private Limited.
- Term Loan of Rs. 7,000 lacs (2013: Rs. Nil) are secured by (a) First pari passu charge on the immovable property owned by Banshi Mall Management Company Private Limited Located at SOBO Central Mall (b) Corporate Guarantee of Banshi Mall Management Company Private Limited.
- Term Loan of Rs. 10,600 lacs (2013: Rs.Nil) are secured/charge by (a) immovable property to be created out of proposed capex of the company (upto Rs. 20,000 lacs out of Rs. 25,000 lacs) (b) charge on escrow account, debt service reserve account and other reserve and any other bank account (c) charge of all the current assest of the company (d) charge of Blocks "F" and "G" of "Ahmedabad city mall" located at Raipur- kankaria Raod, Taluka City, Ahmedabad owned by company.
- Term Loan of Rs. 13,350 lacs are secured/charge by (a)movable property to be created out of proposed capex of the company (upto Rs. 20,000 lacs out of proposed capex Rs. 25,000 lacs) and (b) charge of Ground -plus-First Floor of RCC construction situated at PLOT NO. 21,22, 27, TPS No. 18, moje Raipur-hirpur,Taluka City, Ahmedabad owned by the company.
- Rs. 6,766.99 lacs (2013: Rs. 7,269.26 lacs) secured by registered Mortgage of specified property and exclusive hypothecation of all the assets acquired out of the proceeds of the term loan and assignment of specified rent receivables.
- Rs. 4,125 lacs (2013: Rs. 4,750 lacs) secured by hypothecation charge on all the movable assets.
- Rs. 9,999.87 lacs (2013: Rs. NIL) are secured/ charged by(a) Primary on tangible movable Fixed Assets in nature of Furniture and Fixtures created out of loan taken and current assets in form of long term loans & advances. (b) Immovable property owned by company.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

- j) Rs. 7,800 lacs (2013: Rs. Nil) secured by hypothecation first charge of entire movable assets, both present and future, including plant and machinery, machinery spares, tools and accessories, electrical installation, furniture and fixtures and vehicles to be leased out to specified tenant.
- k) Rs. 1,749.35 lacs (2013: Rs. 1,934.18 lacs) secured by exclusive first charge by way of hypothecation of lease rent receivable from specified tenants and equitable mortgage of specified assets.
- l) Rs. 916.84 lacs (2013: Rs. 1,143.60 lacs) secured by first charge of the specified property and assignment of the specified future rent receivables.
- m) Rs. 2,129.19 lacs (2013: Rs. 1,500.56 lacs) secured against entire specified present and future assets, corporate guarantee by Sattva Developers Private Limited and personal guarantee of Directors.
- n) Rs. 710.42 lacs (2013: Rs. 834.04 lacs) secured by registered mortgage of the specified premises and personal guarantee of Directors.
- o) Installments falling due in respect of all the above loans up to March 31, 2015 aggregating to Rs. 11,932.27 lacs have been grouped under current maturities of long term borrowings.
- p) Rate of interest between 9.95% to 14.75% p.a.

**4.2 Unsecured loan from others includes Rs. 7,068.25 lacs Interest free and Rs. 938.18 lacs carries interest rate 12.50% to 14.75%.**

**5. Deferred Tax Assets/Liabilities (net) (Amount in Rs. Lacs)**

	As at March 31, 2014	As at March 31, 2013
<b>Deferred Tax Liabilities (net) consists of following:</b>		
<b>Deferred Tax Liability</b>		
Related to Fixed Assets	3,467.52	1,944.58
<b>Deferred Tax Asset</b>		
Disallowance under the Income Tax Act, 1961/ Carry Forward of Losses and Unabsorbed Depreciation	3,557.77	1,961.01
<b>Deferred Tax (Assets)/ Liability</b>	<u>(90.26)</u>	<u>(16.43)</u>

**6. Other Long-Term Liabilities (Amount in Rs. Lacs)**

	As at March 31, 2014	As at March 31, 2013
<b>Rental Deposits</b>	13,466.98	12,139.75
Others	72.56	63.84
	<u>13,539.54</u>	<u>12,203.59</u>

**7. Long-Term Liabilities (Amount in Rs. Lacs)**

	As at March 31, 2014	As at March 31, 2013
Provision for Employee Benefits*	10.78	6.24
*Include provision for gratuity and other retirement benefits		
	<u>10.78</u>	<u>6.24</u>

**8. Short- term Borrowings (Amount in Rs. Lacs)**

	As at March 31, 2014	As at March 31, 2013
<b>Secured</b>		
Cash Credit from banks	562.02	129.58
Loans from Financial Institution	4,537.09	9,900.47
Share in Jointly Controlled entities	-	3,133.26
<b>Unsecured, repayable on demand</b>		
Loans and advances from others	21,279.81	8,435.73
Share in Jointly Controlled entities	78.60	839.19
	<u>26,457.52</u>	<u>22,438.23</u>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**
**8.1 Secured Loans and Advances from Banks:**

- Rs. Nil (2013: Rs. 1,683.34 lacs) secured against Fixed Deposit with the banks.
- Rs. Nil (2013: Rs. 197.92 lacs) secured by first charge of the specified property and hypothecation of the specified future rent receivables.
- Rs. 562.02 lacs (2013: Rs. 129.58 lacs) secured by first pari-passu hypothecation charge of all specified existing and future current assets including specified receivables and personal guarantee of a shareholder.
- Rate of interest between 11.90% to 14.75% p.a.

**8.2 Secured Loans and Advances from Others:**

- Rs. Nil (2013: Rs.7,800 lacs) secured by hypothecation first charge of entire movable assets, both present and future, including plant and machinery, machinery spares, tools and accessories, electrical installation, furniture and fixtures and vehicles to be leased out to specified tenant.
- Rs. 2,000 lacs (2013: Rs. 2,000 lacs) secured by hypothecation of specified movable assets, both present and future and personal guarantee of one of the promoters.
- Rs. 2,400 lacs (2013: Rs. 1,152 lacs) secured by way of hypothecation and escrow of receivables of a shareholder equivalent to 1.5 times of the loan amount and personal guarantee of one of the promoters.
- Rs. 137.08 lacs (2013: Rs. 100.47 lacs ) secured by registered mortgage of the specified premises and personal guarantee of the Directors.
- Rate of interest between 11.90% to 14.75%.

**8.3 Unsecured Loans and Advances from Others:**

- Rs. 21,252.57 lacs are Interest free and Rs. 105.84 lacs carries interest rate of 15% to 16.50%.

**9. Trade Payable**
**(Amount in Rs. Lacs)**

	As at March 31, 2014	As at March 31, 2013
Trade Payables (Refer Note No. 40)	5,798.96	3,166.19
Share in Jointly Controlled entities	53.95	97.00
	<b>5,852.90</b>	<b>3,263.19</b>

**10. Other Current Liabilities**
**(Amount in Rs. Lacs)**

	As at March 31, 2014	As at March 31, 2013
Current Maturities of Long-Term Borrowings	11,932.27	11,987.71
Advance from customers	120.85	147.18
Rental Deposits	1.50	2.96
Other liabilities*	1,550.67	2,124.64
Share in Jointly Controlled entities	1,076.34	692.49
	<b>14,681.63</b>	<b>14,954.97</b>

\* primarily includes Statutory dues, Share Application Money refundable and Capital creditors.

**11. Short term provisions**
**(Amount in Rs. Lacs)**

	As at March 31, 2014	As at March 31, 2013
Provision for Employee Benefits*	2.16	1.24
* Include provision for gratuity and other retirement benefits		
Provision for Taxation (Net of payments/deduction of tax)	58.85	71.04
	<b>61.01</b>	<b>72.28</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

## Note 12: Tangible Assets

(Amount in Rs. Lacs)

Description	Gross Block					Depreciation					Net Block			
	As at April 1, 2013*	Addition as per scheme of Amalgamation*	Additions during the year	Sale/ Disposal during the year	Reclassified as held for sale	As at March 31, 2014	Upto April 1, 2013	Addition as per scheme of Amalgamation	Adjustment for the year	Depreciation for the year	Eliminated on reclassification as held for sale	Up to March 31, 2014	As at March 31, 2014	As at March 31, 2013
Freehold Land	317.75	-	-	-	-	317.75	-	-	-	-	-	-	317.75	317.75
Leasehold Improvements	11,418.49	-	2,173.26	-	-	13,591.75	1,574.54	-	-	392.04	-	1,966.58	11,625.17	9,843.95
Plant and Machinery	584.19	-	-	-	-	584.19	68.84	-	-	24.79	-	93.63	490.56	515.35
Office Equipments	74.59	-	0.52	-	-	75.11	32.27	-	-	8.45	-	40.72	34.39	42.31
Computers and Softwares	2,978.53	-	3.41	0.26	-	2,981.68	1,864.22	-	0.10	480.16	-	2,344.28	637.40	1,114.31
Furniture and Fittings	2,442.13	-	-	-	-	2,442.13	429.97	-	-	154.76	-	584.73	1,857.40	2,012.16
Electrical Installations	540.81	-	-	-	-	540.81	121.33	-	-	21.73	-	143.06	397.75	419.48
Air Conditioner	700.03	-	-	-	-	700.03	130.70	-	-	27.23	-	157.93	542.09	569.32
Share in Jointly controlled entities	2,678.85	-	0.92	-	-	2,679.77	41.76	-	0.31	13.64	-	55.71	2,624.06	2,637.09
Total (A)	21,735.37	-	2,178.11	0.26	-	23,913.21	4,263.63	-	0.41	1,122.80	-	5,386.65	18,526.57	17,471.73
Under Lease														
Leasehold improvement	19,118.13	-	4.06	-	-	19,122.18	2,139.87	-	-	848.17	-	2,988.04	16,134.14	16,978.25
Air Conditioner	3,070.29	-	48.90	-	-	3,119.19	398.60	-	-	146.04	-	544.64	2,574.55	2,671.68
Computers and Software	126.15	-	-	-	-	126.15	76.19	-	-	20.45	-	96.64	29.51	49.96
Furniture and Fittings	6,459.74	-	5.53	-	-	6,465.27	721.78	-	-	408.94	-	1,130.72	5,334.55	5,737.96
Electrical Installations	4,924.03	-	6.76	-	-	4,930.79	373.23	-	-	237.88	-	611.11	4,319.68	4,550.79
Office and Other Equipment	303.65	-	1.22	-	-	304.87	26.58	-	-	14.43	-	41.01	263.86	277.07
Plant and Machinery	1,336.57	-	-	-	-	1,336.57	138.47	-	-	59.53	-	198.00	1,138.57	1,198.10
Vehicles	4.19	-	-	-	-	4.19	4.04	-	-	0.15	-	4.19	-	0.15
Total (B)	35,342.74	-	66.47	-	-	35,409.21	3,878.78	-	-	1,735.58	-	5,614.36	29,794.85	31,463.96
Assets held for sale														
Grand Total	57,078.11	-	2,244.57	0.26	-	59,322.42	8,142.42	-	0.41	2,858.38	-	11,001.01	49,274.65	50,245.09
Previous Year	48,645.14	-	9,853.10	18.29	1,401.84	57,078.11	5,433.46	-	20.14	2,782.70	92.45	8,142.42	50,245.09	-
Capital Work-in-progress													8,898.50	5,107.00
Share in jointly controlled entities													1,607.52	1,537.30
													10,506.01	6,644.31

\* includes effect of accounting as per Court approved scheme of merger

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**
**13. Non-Current Investments (Amount in Rs. Lacs)**

	As at March 31, 2014	As at March 31, 2013
<b>Non - Trade Investment (Valued at cost unless stated otherwise)</b>		
<b>Unquoted</b>		
Investments in Equity Shares of Associate	5,229.90	6,097.16
Investments in Equity Shares of Others	2,476.14	2,247.83
Investments in Preference Shares of Joint Ventures	-	76.00
Investments in Preference Shares of Others	-	2,000.00
<b>Aggregate cost of unquoted investments</b>	<b>7,706.05</b>	<b>10,420.99</b>

**14. Long-Term Loans and Advances (Amount in Rs. Lacs)**

	As at March 31, 2014	As at March 31, 2013
<b>(Unsecured, Considered Good)</b>		
Capital Advances	376.69	431.67
Security Deposits	167.90	10,470.03
Other Loans and Advances*	39,791.24	14,366.49
Share in Jointly Controlled entities	94.67	328.60
	<b>40,430.50</b>	<b>25,596.79</b>

\* primarily Includes MAT Receivables, Loans and advances, Deduction of Income Tax and Statutory dues  
Loans and Advances to Others referred above amounting to Rs. 35,116.05 lacs are Interest free and Rs. 1,422.07 lacs carries interest rate of 12% to 14.25%.

**15. Current Investments (Amount in Rs. Lacs)**

	As at March 31, 2014	As at March 31, 2013
<b>Trade</b>		
Investment in Mutual Fund - Unquoted	-	1.06
<b>Aggregate cost of unquoted investment</b>	<b>-</b>	<b>1.06</b>

**16. Inventories (Amount in Rs. Lacs)**

	As at March 31, 2014	As at March 31, 2013
Project work-in-progress	75.92	100.56
Share in Jointly Controlled entities	3,989.82	3,376.85
	<b>4,065.74</b>	<b>3,477.41</b>

**17. Trade Receivables (Amount in Rs. Lacs)**

	As at March 31, 2014	As at March 31, 2013
<b>(Unsecured)</b>		
- Outstanding for a period exceeding six months		
Considered Doubtful	351.02	291.25
Considered Good	6,749.70	7,747.08
Less : Provision for Doubtful Debts	351.02	291.25
	<b>6,749.70</b>	<b>7,747.08</b>
- Other Debts	2,731.47	1,170.99
Share in Jointly Controlled entities	34.39	45.11
	<b>9,515.57</b>	<b>8,963.18</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

## 18. Cash and Bank Balances (Amount in Rs. Lacs)

	As at March 31, 2014	As at March 31, 2013
<b>Cash and Cash equivalents</b>		
Cash on Hand	10.69	5.52
Balance with Banks		
in current accounts #	968.04	240.42
<b>Other Bank balances</b>		
Short term bank deposits*	135.37	67.77
Share in Jointly Controlled entities	39.25	1,820.26
	<b>1,153.35</b>	<b>2,133.96</b>

# Includes under lien Rs. 3.89 lacs (2013: Rs. Nil)

\* Includes Fixed deposits of Rs. 101.64 lacs (2013: Rs. NIL) maturity more than 12 months, Rs. 55.28 lacs (2013: Rs. 41.97 lacs) under lien and Rs. 101.37 lacs (2013: Rs. 794.57 lacs) hypothecated to bank for loan facilities.

## 19. Short-Term Loans and Advances (Amount in Rs. Lacs)

	As at March 31, 2014	As at March 31, 2013
<b>(Unsecured, Considered Good)</b>		
Loans and advances to others	20,801.10	11,121.98
Deposits	9,326.77	91.16
Share Application Money	425.00	1,160.00
Others advances*	354.60	1,040.56
Share in Jointly Controlled entities	64.54	671.21
	<b>30,972.02</b>	<b>14,084.92</b>

\* Other advances primarily includes Indirect taxes receivable, advance given to suppliers.

## 20. Other Current Assets (Amount in Rs. Lacs)

	As at March 31, 2014	As at March 31, 2013
Interest receivable	1.15	2.08
Share in Jointly Controlled entities	1.02	13.50
	<b>2.17</b>	<b>15.58</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**
**21. Revenue From Operations (Amount in Rs. Lacs)**

Particulars	Year ended March 31, 2014	Year ended March 31, 2013
Sales	1,688.59	-
Rental and other related revenues	12,602.86	12,398.74
Project Mangement Consultancy	205.61	76.09
Other Operating Revenues	800.80	3,295.97
Share in Jointly Controlled entities	769.86	120.05
	<u>16,067.72</u>	<u>15,890.86</u>

**22. Other Income (Amount in Rs. Lacs)**

	Year ended March 31, 2014	Year ended March 31, 2013
Interest Income on		
Deposits	581.17	1,716.37
Income Tax Refund	5.32	5.01
Net Gain on sale of Current Investments	0.05	1.06
Sundry balances Written back (net)	7.72	37.97
Miscellaneous Income	55.07	49.41
Share in Jointly Controlled entities	1.86	118.84
	<u>651.18</u>	<u>1,928.65</u>

**23. Project Cost (Amount in Rs. Lacs)**

	Year ended March 31, 2014	Year ended March 31, 2013
Share in Jointly Controlled entities	614.99	1,096.58
	<u>614.99</u>	<u>1,096.58</u>

**24. Changes in Inventories of Finished Goods, Work-in-progress and Stock-in-Trade (Amount in Rs. Lacs)**

	Year ended March 31, 2014	Year ended March 31, 2013
<b>Closing Inventory</b>		
Project in Progress	75.92	100.56
Share in Jointly Controlled entities	3,989.82	3,376.85
<b>Opening Inventory</b>		
Project in Progress	100.56	130.37
Share in Jointly Controlled entities	3,376.85	2,280.27
	<u>(588.32)</u>	<u>(1,066.77)</u>

**25. Cost of Services (Amount in Rs. Lacs)**

	Year ended March 31, 2014	Year ended March 31, 2013
Rent including lease rentals	6,231.35	6,350.46
Mall Maintenance Charges	2,030.09	760.36
	<u>8,261.45</u>	<u>7,110.82</u>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

## 26. Employee Benefit Expenses

(Amount in Rs. Lacs)

	Year ended March 31, 2014	Year ended March 31, 2013
Salaries, Wages and Bonus	694.16	825.18
Contribution to Provident and Other Funds	7.03	16.32
Employees stock option scheme	21.89	-
Staff Welfare Expenses	11.61	21.77
	<b>734.70</b>	<b>863.27</b>

## 27. Finance Costs

(Amount in Rs. Lacs)

	Year ended March 31, 2014	Year ended March 31, 2013
Interest Expenses	7,625.71	8,147.94
Other Borrowing Costs	144.96	6.63
Share in Jointly Controlled entities	227.28	384.56
	<b>7,998.19</b>	<b>8,539.13</b>

## 28. Other Expenses

(Amount in Rs. Lacs)

	Year ended March 31, 2014	Year ended March 31, 2013
Electricity charges	510.35	1,334.21
Repairs and Maintenance - Others	135.32	170.88
Rent including lease rentals	88.27	28.43
Rates and Taxes	319.87	560.62
Insurance	16.50	15.30
Legal and Professional Charges	71.02	176.33
<b>Auditors' Remuneration</b>		
Statutory Audit Fees	10.70	6.17
Tax Audit Fees	0.64	0.50
Other Services	1.15	0.48
Advertisement and Sales Promotion	92.17	66.17
Directors Sitting Fees	5.40	5.20
Loss on Sale/Retirement of Fixed Assets	2.00	17.57
Bad Debts	31.87	113.36
Exchange Fluctuation Loss	167.95	-
Provision for Doubtful Debts	59.77	234.98
Excess provision written off	-	484.29
Other Expenses	259.76	831.56
<b>Share in Jointly Controlled Entities</b>	<b>26.33</b>	<b>112.56</b>
	<b>1,799.23</b>	<b>4,158.60</b>



**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**
**29. Information on subsidiaries, joint ventures and associates:**

(a) Subsidiary companies considered in the consolidated financial statements are:

Sr. No.	Name of the Company	Country of Incorporation	Proportion of ownership Interest as on March 31, 2014	Financial Year Ends on
1.	Precision Realty Developers Private Limited	India	100.00%	March 31, 2014
2.	Future Trade Markets Private Limited	India	70.00%	March 31, 2014
3.	Star Shopping Centres Private Limited	India	60.00%	March 31, 2014
4.	Niyman Mall Management Company Private Limited	India	100.00%	March 31, 2014
5.	Acute Realty Private Limited	India	100.00%	March 31, 2014
6.	Ojas Mall Management Private Limited	India	100.00%	March 31, 2014
7.	Nishta Mall Management Company Private Limited	India	100.00%	March 31, 2014
8.	Harmony Mall Management Private limited	India	100.00%	March 31, 2014
9.	Unique Malls Private Limited	India	100.00%	March 31, 2014
10.	Ujjain Future Bazaar Private Limited (formerly known as Aabha Hotels Private Limited)	India	100.00%	March 31, 2014
11.	F R Retail Destination Private Limited (formerly known as Kshitij Retail Destination Private Limited)	India	100.00%	March 31, 2014
12.	Shreya Mall Management Private Limited	India	100.00%	March 31, 2014
13.	Aashirwad Malls Private Limited	India	100.00%	March 31, 2014
14.	Sun City Properties Private Limited	India	55.17%	March 31, 2014
15.	Suhani Mall Management Company Private Limited	India	86.26%	March 31, 2014
16.	Navika Developers Private Limited	India	100.00%	March 31, 2014
17.	Vishnu Mall Management Private Limited	India	100.00%	March 31, 2014
18.	Anchor Residency Private Limited	India	100.00%	March 31, 2014

(b) Interests in Joint Ventures: (As required by AS-27 "Financial Reporting of Interest in Joint Venture")

Sr. No.	Name of the Company	Description of interest	Country of Incorporation	Proportion of ownership Interest as on March 31, 2014	Financial Year Ends on
1.	Riddhi Siddhi Mall Management Private Limited	Equity	India	50.00%	March 31, 2014
2.	Future Retail Destination Limited	Equity	India	50.00%	March 31, 2014
3.	Utility Developers Private Limited	Equity	India	50.00%	March 31, 2014

(c) Investment in Associates: (As required by AS-23 "Accounting for Investments in Associates in Consolidated Financial Statements").

Sr. No.	Name of the Company	Description of interest	Country of Incorporation	Proportion of ownership Interest as on March 31, 2014	Financial Year Ends on
1.	Riverbank Developers Private Limited	Equity	India	25.00%	March 31, 2014

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

**30. Contingent Liabilities not provided for:**

- Corporate Guarantees given by group to bank Rs. 80,479.58 Lacs (2013: Rs. 35,487.58 Lacs)
- Disputed Income Tax demand Rs. 395.38 Lacs (2013: Rs. 46.77 Lacs)
- Based on the decisions of Appellate authorities and the interpretation of other relevant provisions, the Group has been legally advised that the demand is likely to be either deleted or substantially reduced and accordingly no provision has been made.
- Disputed Service Tax demand Rs. 392.81 Lacs (2013: Rs. 392.81 Lacs)

**31.** Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 24,258.04 Lacs (2013: Rs. 1.36 Lacs).

**32.** In respect of operating lease taken by the group, the future minimum lease rental obligation under non – cancellable operating leases in respect of these assets is Rs. 18,774.25 Lacs (2013: Rs. 26,187.69 lacs):

(Amount Rs. in Lacs)

	Particulars	2013-14	2012-13
i)	Lease rentals recognised in Profit and Loss Account	6,231.35	6,311.59
ii)	Lease rentals payable not later than one year	3,444.82	4,163.64
iii)	Lease rentals payable later than one year and not later than five years	12,718.89	17,746.94
iv)	Lease rentals payable later than five years	2,610.54	4,277.12

**33.** In respect of operating lease given by the group, the future minimum lease rental receivable under non – cancellable operating leases are as follows:

(Amount Rs. in Lacs)

	Particulars	2013-14	2012-13
i)	Gross block of assets let out on operating lease	35,409.21	58,755.23
ii)	Accumulated depreciation as at March 31, 2014	3,878.78	6,487.25
iii)	Depreciation charged during the year to the Profit and Loss Account	1,735.58	2,770.28
iv)	Lease rentals recognised in Profit and Loss Account	6,398.03	11,079.03
v)	Lease rentals receivable not later than one year	1,731.85	4,802.46
vi)	Lease rentals receivable later than one year and not later than five years	2,927.35	16,035.29
vii)	Lease rentals receivable later than five years	334.68	-

**34. Related Party Disclosure:**

The management has identified the following entities and individuals as related parties for the purposes of reporting under Accounting Standard 18:

Name of Related Parties	Relationship
Future Retail Destination Limited	Joint Ventures
Riddhi Siddhi Mall Management Private Limited	
Utility Developers Private Limited	
Riverbank Developers Private Limited	Associate
Rhamni Projects Private Limited	Company where Directors are Interested Investing Party
Future Corporate Resources Limited	

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**

Transactions with related parties :-

(Amount in Rs. Lacs)

Nature of Transactions	KMP & Relative of KMP	Associate	Company Where Directors are Interested	Investing Party
Rental and other related revenues	- <b>(-)</b>	- <b>(-)</b>	- <b>(-)</b>	- <b>(88.76)</b>
Project Management Revenue	- <b>(-)</b>	- <b>(22.50)</b>	- <b>(-)</b>	- <b>(-)</b>
Car Lease Rental Expenses	- <b>(2.52)</b>	- <b>(-)</b>	- <b>(-)</b>	- <b>(-)</b>
Interest Expense	- <b>(-)</b>	- <b>(-)</b>	- <b>(0.19)</b>	- <b>(-)</b>
Management Consultancy Expense	- <b>(-)</b>	20.86 <b>(-)</b>	- <b>(-)</b>	- <b>(90.00)</b>
Managerial Remuneration	- <b>(104.49)</b>	- <b>(-)</b>	- <b>(-)</b>	- <b>(-)</b>
Loan Given	- <b>(-)</b>	- <b>(-)</b>	- <b>(-)</b>	- <b>(1,000.00)</b>
Loans given and received back (net)	- <b>(-)</b>	- <b>(-)</b>	- <b>(-)</b>	- <b>(1,360.00)</b>
Loan Taken	- <b>(-)</b>	- <b>(-)</b>	- <b>(-)</b>	- <b>(3,750.00)</b>
Loans taken and repaid back (net)	- <b>(-)</b>	- <b>(-)</b>	- <b>(6.27)</b>	1,250.00 <b>(1,500.00)</b>
Reversal of Management Consultancy Income	- <b>(-)</b>	2.34 <b>(-)</b>	- <b>(-)</b>	- <b>(-)</b>
<b>Outstanding Balance as at March 31.</b>				
Balance – Receivable	- <b>(-)</b>	2.07 <b>(25.28)</b>	- <b>(-)</b>	- <b>(-)</b>
Balance - Payable	- <b>(-)</b>	- <b>(-)</b>	- <b>(0.05)</b>	5,015.19 <b>(3,750.00)</b>

**Note: Figures in bold italics represents previous year's figures.**
**Disclosure in respect of Material related party transaction during the year:**

- Loans taken and repaid back include Future Corporate Resources Limited Rs. 1,250 Lacs (2013: Rs. NIL).
- Reversal of Management Consultancy Income include Riverbank Developers Private Limited Rs. 2.34 Lacs (2013: Rs. NIL).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

**35. Segment Report:**

The group is primarily engaged in the activity of mall management business and considers it to be a single reportable business segment in terms of Accounting Standard 17 "Segment Reporting". The operations of the group are within the geographical territory of India which is considered as a single geographical segment.

**36. Earnings Per Share**

(Figures in Rs. Lacs)

Particulars	2013-14	2012-13
Profit after tax	(7,636.90)	(6,090.08)
The Weighted average number of Ordinary Shares for Basic and Diluted EPS	55,854,976	55,854,976
The Nominal Value per Share Rs.	10.00	10.00
Earnings per Ordinary share (Basic and Diluted) Rs.	(13.67)	(10.90)

- 37.** Goodwill on Consolidation is net of, Capital Reserve on consolidation, of Rs. 18,036.85 Lacs (2013: Rs. 1,696.83 Lacs).
- 38.** For certain items, the Company and its Subsidiaries and Joint Ventures have followed different accounting policies. Necessary adjustments have been made in the consolidated accounts for alignment of these accounting policies.
- 39.** Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the company. There are no overdue principal amounts/ interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the year or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payments made during the year or brought forward from previous years.

**40. Employee Stock Option Scheme**

Future Market Networks Limited (FMNL) has granted options to eligible employees in 2012 under FMNL-Employee Stock Option Scheme 2012 ("ESOS 2012").

The Employee Stock Options of the Company has been adjusted for the corporate actions on Value for Value exchange and hence there is no incremental benefit to the option grantee and also it does not result in change in aggregate Fair Value of the Options.

**A. Summary of Status of ESOPs Granted**

The position of the existing scheme is summarized as under –

Sr. No.	Particulars	Details
1	Number of Options approved	558,000
2	Pricing Formula	Rs.12/-
3	Options Granted	5,06,000
4	Options Exercised	-
5	Options Cancelled	17,000
6	Options Lapsed	-
7	Total Number of Options in Force	4,89,000
8	Variation in Terms of ESOP	Not Applicable

**B. Weighted Average Fair Value of Options Granted During the Year Whose**

(a)	Exercise Price Equals Market Price	-
(b)	Exercise Price is Greater than Market Price	-
(c)	Exercise Price is Less than Market Price	12.00

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014**

- C. The stock-based compensation cost calculated as per the intrinsic value method for the financial year 2012-13 is Rs. 85.50 Lacs. If the stock-based compensation cost was calculated as per the fair value method, the total cost to be recognised in the financial statements for the year 2012-13 would be Rs. 121.18 Lacs. The effect of adopting the fair value method on the net income and earnings per share is presented below:

Pro Forma Adjusted Net Income and Earning Per Share

Particulars	Units	2013-14
Net Income as Reported	Rs. In Lacs	(6,582.98)
Add: Intrinsic Value Compensation Cost	Rs. In Lacs	20.65
Less: Fair Value Compensation Cost	Rs. In Lacs	21.89
Adjusted Pro Forma Net Income	Rs. In Lacs	(6,584.22)
Earning Per Equity Share: Basic		
As Reported	Rs.	(11.79)
Adjusted Pro Forma	Rs.	(11.79)
Earning Per Equity Share: Diluted		
As Reported	Rs.	(11.79)
Adjusted Pro Forma	Rs.	(11.79)

- D. Method and Assumptions Used to Estimate the Fair Value of Options Granted During the Year:

1. Risk Free Interest Rate	7.88%
2. Expected Life in years	2.50
3. Expected Volatility	60.71%
4. Dividend Yield	0.00%
5. Price of the Underlying Share in Market at the Time of the Option Grant (Rs.)	23.95

41. Figures pertaining to the subsidiary companies and joint ventures have been reclassified wherever necessary to bring them in line with the group financial statements.

**As per our Report of even date attached**

**For NGS & Co. LLP**

Chartered Accountants

**Ganesh Toshniwal**

Partner

**Membership No. 046669**

Mumbai

May 28, 2014

**For and on behalf of the Board of Directors**

**Ameet Naik**

Chairman

**Sunil Biyani**

Managing Director

**Vijai Singh Dugar**

Director

**Pawan Agarwal**

Chief Financial Officer

**Anil Cherian**

Company Secretary

## Consolidated Cash Flow Statement For The Year Ended March 31, 2014

		(Amount in Rs. Lacs)	
		March 31, 2014	March 31, 2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net Loss Before Tax		(7,259.82)	(5,664.83)
<b>Adjustments to reconcile profit before tax to net cash flows</b>			
Depreciation		2,858.38	2,782.70
Interest Income		(582.90)	(1,716.37)
Interest Expenses		7,852.96	8,147.94
Provision for doubtful debts		59.77	234.98
Profit on sale of Investment		(0.05)	(1.06)
Bad Debts		31.87	113.36
Excess provision Written off		-	484.29
Sundry balances Written back (net)		(7.72)	(37.97)
Loss on sale of Fixed Assets		2.00	17.57
On account of Employees Stock Option Scheme		21.89	-
		<u>10,236.20</u>	<u>10,025.44</u>
<b>Operating Profit before Working Capital changes</b>		<b>2,976.38</b>	<b>4,360.61</b>
<b>Movement in working capital</b>			
(Increase)/Decrease in Trade and other Receivables		(144.51)	(447.63)
(Increase)/Decrease in Inventories		(614.68)	(1,066.77)
(Increase)/Decrease in Loans and Advances		(13,876.34)	3,611.13
(Increase)/Decrease in Other Current Assets		(4,975.46)	(15.58)
(Increase)/Decrease in Other Non Current Assets		-	5.66
Increase/(Decrease) in Trade Payables, Other Liabilities and Provisions		<u>10,367.18</u>	<u>(1,052.35)</u>
		<u>(9,243.81)</u>	<u>1,034.46</u>
<b>Cash generated from/(used) in operations</b>		<b>(6,267.43)</b>	<b>5,395.08</b>
Direct taxes Paid		(78.20)	(113.95)
<b>Net Cash flow from/(used) in Operating Activities</b>	<b>(A)</b>	<b>(6,345.63)</b>	<b>5,281.12</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>			
Sale of Fixed Assets		354.31	-
Purchase of Fixed Assets		(6,045.25)	(3,526.31)
Sale of Investments		2,001.29	-
Purchase of Investments		(228.50)	(1.06)
Interest Income Received		582.90	1,716.37
Scheme of Arrangement		-	(693.72)
<b>Net Cash flow from/(used) in Investing Activities</b>	<b>(B)</b>	<b>(3,335.24)</b>	<b>(2,504.72)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Interest Expenses		(7,852.96)	(8,147.94)
Share application money received		36.78	-
Net Proceeds from Long Term Borrowings		13,007.35	(8,374.09)
Net Proceeds from Short Term Borrowings		3,509.09	15,136.81
<b>Net Cash flow from/(used) in Financing activities</b>	<b>(C)</b>	<b>8,700.25</b>	<b>(1,385.21)</b>
<b>NET INCREASE (+) / DECREASE (-) IN CASH AND CASH EQUIVALENTS</b>	<b>(A+B+C)</b>	<b>(980.62)</b>	<b>1,391.18</b>
Cash and Cash Equivalents at the beginning of the year		2,133.96	742.78
<b>Cash and Cash Equivalents at the end of the year</b>		<b>1,153.35</b>	<b>2,133.96</b>

As per our Report of even date attached

For NGS &amp; Co. LLP

Chartered Accountants

For and on behalf of the Board of Directors

**Ganesh Toshniwal**  
Partner  
Membership No. 046669

**Ameet Naik**  
Chairman

**Sunil Biyani**  
Managing Director

**Vijai Singh Dugar**  
Director

Mumbai  
May 28, 2014

**Pawan Agarwal**  
Chief Financial Officer

**Anil Cherian**  
Company Secretary

FINANCIAL INFORMATION OF SUBSIDIARY COMPANIES

	Name of the Subsidiary	The Financial year of the subsidiary ended on	Holding Company's Interest	Share Capital	Reserves	Total Assets	Total Liabilities	Details of investments (except in case of investment in subsidiaries)	Turnover	Profit/(loss) before taxation	Provisions for taxation/ (benefit)	Profit/ (loss) after taxation	Proposed dividend
1	Precision Realty Developers Pvt. Ltd.	3/31/2014	100%	1.00	(9.53)	16,904.28	16,904.28	-	83.50	(9.74)	-	(9.74)	-
2	Nirman Mall Management Company Pvt. Ltd.	3/31/2014	100%	1.00	197.54	1,635.43	1,635.43	-	220.75	55.03	17.59	55.03	-
3	Ojas Mall Management Pvt. Ltd.	3/31/2014	100%	1.00	(1,360.08)	9,663.06	9,663.06	-	873.49	(465.29)	-	(465.29)	-
4	Nishita Mall Management Company Pvt. Ltd.	3/31/2014	100%	1.00	132.92	2,676.20	2,676.20	-	212.60	85.81	22.08	85.81	-
5	Harmony Malls Management Pvt. Ltd.	3/31/2014	100%	1.00	-	698.31	698.31	-	-	-	-	-	-
6	Ujjain Future Bazaar Private Limited (Formerly known as Aabha Hotels Pvt Ltd.)	3/31/2014	100%	1.00	(56.28)	10,500.46	10,500.46	-	18.64	(64.16)	-	(64.16)	-
7	F R Retail Destination Pvt. Ltd. (Formerly known as Kshitij Retail Destination Pvt. Ltd.)	3/31/2014	100%	1.00	138.52	15,102.75	15,102.75	-	2,132.33	0.96	3.00	0.96	-
8	Shreya Mall Management Pvt. Ltd.	3/31/2014	100%	1.00	(47.72)	373.40	373.40	-	-	(32.12)	7.09	(32.12)	-
9	Ashirwad Malls Pvt.Ltd.	3/31/2014	100%	10.00	27.44	66.13	66.13	-	57.16	3.59	1.11	3.59	-
10	Star Shopping Centres Pvt.Ltd.	3/31/2014	60%	2.50	(170.06)	527.58	527.58	-	2,499.99	(41.32)	(1.23)	(41.32)	-
11	Suhani Mall Management Company Pvt. Ltd.	3/31/2014	86.26%	98.23	2,006.46	10,837.82	10,837.82	-	350.66	(26.98)	(8.67)	(26.98)	-
12	Future Trade Markets Pvt.Ltd.	3/31/2014	70%	87.74	5,474.49	5,585.99	5,585.99	4,912.25	68.59	38.97	12.04	38.97	-
13	Sun City Properties Pvt. Ltd.	3/31/2014	55.17%	206.00	(0.42)	524.21	524.21	22.00	3.18	1.70	0.31	1.70	-
14	Unique Malls Pvt. Ltd.	3/31/2014	100%	1.00	142.89	18,638.88	18,638.88	-	47.75	34.93	7.95	34.93	-
15	Acufe Realty Pvt. Ltd.	3/31/2014	100%	1.00	3,966.01	14,856.30	14,856.30	-	107.49	96.47	23.05	96.47	-
16	Vishnu Mall Management Pvt. Ltd.*	3/31/2014	100%	10.10	(1,647.29)	5,301.29	5,301.29	-	820.28	(129.68)	-	(129.68)	-
17	Anchor Residency Pvt. Ltd.*	3/31/2014	100%	3.00	(9,494.09)	1,254.32	1,254.32	-	1,051.46	(2.11)	-	(2.11)	-
18	Navika Developers Pvt. Ltd.	3/31/2014	100%	1.00	(22.95)	7,709.84	7,709.84	-	15.83	(22.95)	-	(22.95)	-

\* downstream subsidiary companies



**ENTRANCE PASS/ ATTENDANCE SLIP**

(To be presented at the entrance)

**6<sup>th</sup> Annual General Meeting on Thursday, September 18, 2014 at 3.00 p.m. at Sunville Banquets  
9, Dr. Annie Besant Road, Worli, Mumbai - 400018**

SERIAL NO.

1. Name(s) of member(s) :  
(including joint-holders, if any)
2. Registered Address of the :  
Sole/ First named member
3. Registered Folio No./ :  
DPID/ Client ID No \*  
(\*Applicable to Members holding shares  
in dematerialized form)

I certify that I am a Registered Shareholder/ proxy of the Registered Shareholder of the Company as per details above. I hereby record my presence at this 6<sup>th</sup> Annual General Meeting of the Company.

Member's Folio / DP ID-Client ID No.

Member's / Proxy's name in Block Letters

Member's/Proxy's signature

Note:

1. Please complete the Folio / DP ID – Client ID No. and name, sign this Attendance Slip and handover at the Attendance Verification Counter at THE MEETING HALL
2. Electronic copy of the Annual Report for FY 2013-14 and the Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of the Annual Report for 2013-14 and the Notice of the Annual General Meeting along with the Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or who have requested for a hard copy.

**E-Voting particulars**

**FUTURE MARKET NETWORKS LIMITED**

CIN: L45400MH2008PLC179914

Knowledge House, Shyam Nagar,  
Off. Jogeshwari – Vikhroli Link Road,  
Jogeshwari East, Mumbai – 400060  
E-mail: info.fmn@futuregroup.in  
Website: www.fmn.co.in

**ELECTRONIC VOTING PARTICULARS**

<b>EVSN (E-Voting Sequence Number)</b>	<b>USER ID</b>	<b>Password / PIN</b>

Note: Please read instructions given at Note No. 15 of the Notice of the 6<sup>th</sup> Annual General Meeting carefully before voting electronically.

**FORM NO. MGT – 11**

**PROXY FORM**

**[Pursuant to Section 105 (6) of the Companies Act, 2013 read with Rule 19 (3) of the Companies (Management and Administration) Rules, 2014]**

Name of the Member(s):

Registered address:

E-mail Id:

Folio No. / Client ID:

DP ID:

I/ We being the member(s) of ..... shares of the Future Market Networks Limited hereby appoint:

1. Name: .....  
Address: .....  
E-mail Id:..... Signature:.....or failing him;
2. Name: .....  
Address: .....  
E-mail Id:..... Signature:.....or failing him;
3. Name: .....  
Address: .....  
E-mail Id:..... Signature:.....or failing him;

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ behalf at the 6<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, 18<sup>th</sup> day of September 2014 at 3.00 p.m at Sunville Banquets 9, Dr. Annie Besant Road, Worli, Mumbai – 400018 and at any adjournment thereof in respect of resolutions, as indicated below:

**Resolution Nos.:**

1. Adoption of the Audited Balance Sheet and the Statement of Profit & Loss for the year ended March 31, 2014 and the reports of the Directors and Auditors thereon.
2. Appointment of Director in place of Mr. Rajesh Kalyani (DIN: 00220632) who retires by rotation and being eligible offers himself for re-appointment.
3. Appointment of Statutory Auditors and authorizing the Board to fix their remuneration.
4. Appointment of Mr. Ameet Bhimrao Naik (DIN: 00342339) as an Independent Director of the Company.
5. Appointment of Mr. Vijai Singh Chandan Mal Dugar (DIN: 06463399) as an Independent Director of the Company.
6. Appointment of Mr. Rahul Saraf (DIN: 00005314) as an Independent Director of the Company.

Signed this ..... day of ..... 2014.

Signature of shareholder(s):\_\_\_\_\_

Signature of Proxy holder(s):\_\_\_\_\_

**AFFIX  
Re.1/-  
REVENUE  
STAMP**

Note: Proxy form to be submitted at the Registered Office of the Company not less than 48 (forty eight) hours before the commencement of aforesaid Annual General Meeting.

